

~~# 2750~~ # 2926  
3.97 UNIT ACRES  
1.65 NON UNIT AC

# 2925  
# 8702

Rentals: *YMT.*  
Lease  
Admin: *[Signature]*  
Mineral  
Maps: *[Signature]*

STATE LEASE MF099302  
CONTROL BASEFILE COUNTY  
-----  
56-029214 000 - WASHINGTON /239  
SURVEY : HIGHWAYS & PUBLIC TRANSPORTATI  
BLOCK :  
TOWNSHIP : 00  
SECTION/TRACT:  
PART :  
ACRES : 5.62  
DEPTH LIMITS : NO  
LESSEE : CHESAPEAKE OPERATING INC  
LEASE DATE : Jun 16 1998  
PRIMARY TERM : 3 yrs  
BONUS (\$) : 927.30  
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.

Thank you for your assistance.

Archives and Records Staff



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| scanned PJ 8-12-2019  |                  |
| See MF094949 #30, Assign # 10883<br>EV Prof (G) Harvest Gld Kar 8-16-19 |                  |
| Scanned sm 10/01/2019   |                  |

# The State of Texas



Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. M-99302  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and **Chesapeake Operating, Inc.**, whose address is P.O. Box 18496, Oklahoma City, OK 73154-0496, hereinafter called "Lessee".

1. Lessor, in consideration of **Nine Hundred Twenty Seven and 30/100 Dollars (\$927.30)**, 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:

5.62 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 **5.62** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

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

M-99302

Chesapeake

**Exhibit "A"**

Acreage to be Leased from the State of Texas in Washington  
County, Texas, being part of Salem Road and Hall Road

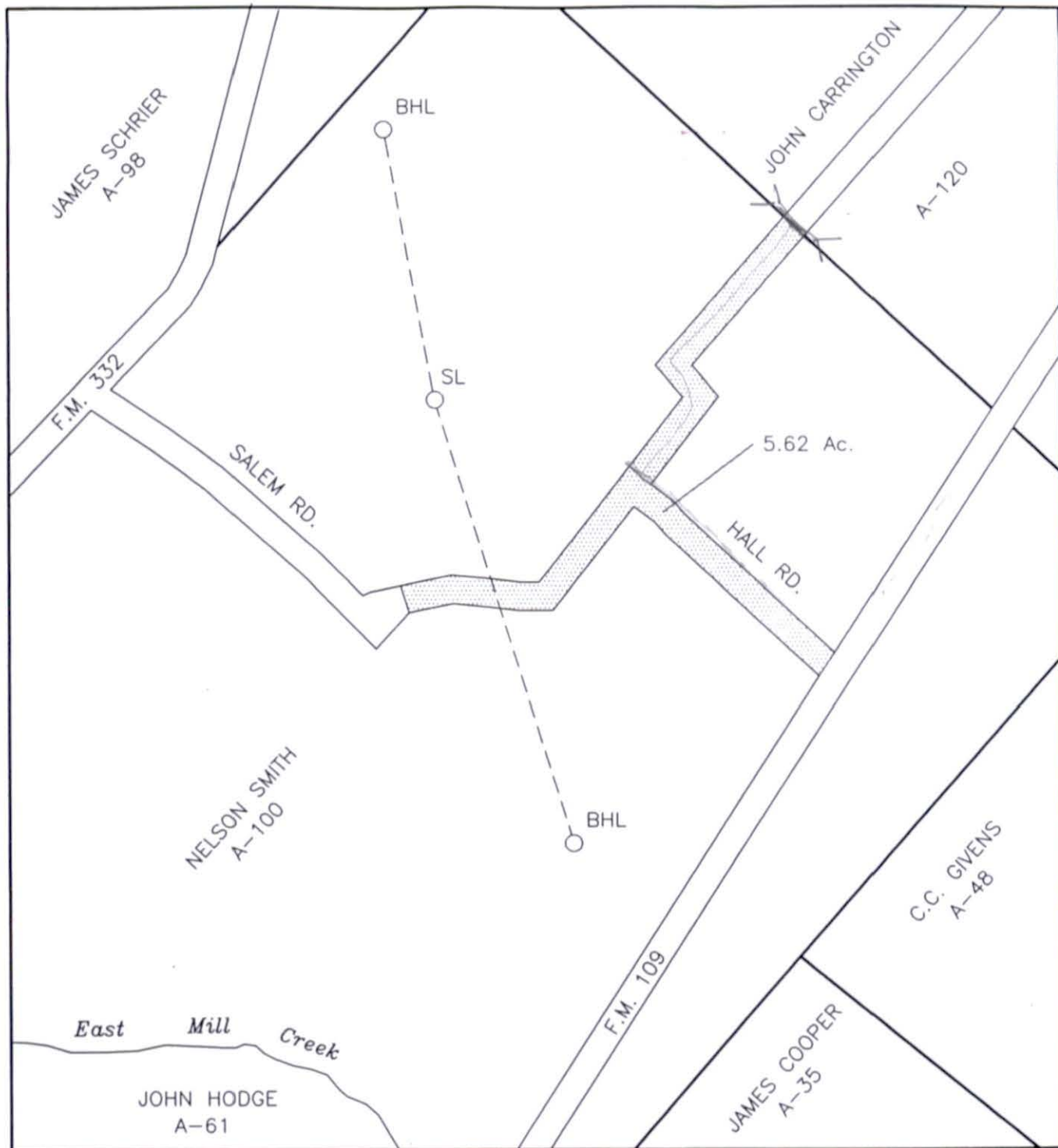
5.62 acres of land, more or less, situated in the N. Smith Survey, A-100 in Washington County, Texas and being the same land described in the following Deeds Recorded in the Deed Records of Washington County, Texas:

1. Deed from William Sommerfeld et al to Washington County, dated 3/6/08 and recorded in V.56, P.444, of the Deed Records of Washington County, Texas.

2. Deed from R.H. King et al to Washington County, dated 4/7/02 and recorded in V.46, P.351, of the Deed Records of Washington County, Texas.

3. Deed from John Loesch et al to Washington County, dated 3/9/12 and recorded in V.62, P.482, of the Deed Records of Washington County, Texas.

4. Deed from F. Wiesepape et ux to Washington County, dated 8/10/29 and recorded in V.96, P.522, of the Deed Records of Washington County, Texas.



HallRd/EM/6-98

MAP SHOWING  
 A PORTION OF SALEM RD. AND HALL RD.  
 5.62 ACRES  
 APPROXIMATELY 3 MILES SOUTHWEST OF BRENHAM  
 WASHINGTON COUNTY

①

MF 99302  
ITEM lease  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 8/21/98

**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 403  
405/879-9562 FAX

LAND DEPARTMENT

KINNEY LOUTHAN  
LANDMAN

May 4, 1998

**VIA FEDERAL EXPRESS**

165.00  
3/16  
1 yr  
25.0 flat lateral



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



RE: Hahn OL #1-H  
Nelson Smith Survey, A-100  
Washington County, Texas

Dear Drew:

Chesapeake Operating, Inc. is proposing to drill a horizontal lateral in a well in Washington County, Texas, the Hahn OL #1-H well, located in the Nelson Smith A-100 Survey (see copy of enclosed Unit Plat).

We have been informed by our title attorney that the State of Texas owns the minerals under four (4) rights-of-way in said unit. Said Tract 21 contains 5.62 acres, which we are entitled to full interest, and is identified on the plat as Tract 21 (Salem Road and Hall Road) in the Nelson Smith Survey A-100. The source deeds for these rights-of-way are recorded in Volume 96 Page 522, Vol. 62 Pg. 482, Vol.96 Pg. 501, Vol. 46 Pg.351.

Said rights-of-way are not on Relinquishment Act Land and as this will be a horizontal well, I understand that your requirement for an affidavit of non-production within 2,500' is waived.

We are offering a Bonus Consideration of \$165.00 per acre for a one (1) year paid-up term and a 3/16 royalty (see enclosed leases).

Mr. Drew Reid  
Texas General Land Office  
April 20, 1998  
Page 2

Your prompt attention to this matter will be greatly appreciated and if you should have any questions or need additional material, please call me a (405) 879-9403.

Sincerely,



Kinney Louthan

KL:mg

Enclosures: Survey plat, tract listing, notarized affidavit, title opinion, copy of source deeds, copy of oil and gas leases, \$927.30 lease bonus consideration, \$100.00 processing fee.

201084 TEXAS GENERAL LAND OFFICE

| ACCT DATE   | VOUCHER NUMBER | INVOICE DATE | INVOICE NUMBER | DESCRIPTION OR GROSS AMOUNT DISCOUNT | NET AMOUNT         |
|---|----------------|--------------|----------------|--------------------------------------|--------------------|
| 04/98   | 437485         | 04/28/98     | 042898         | LSE BNS/SHELBY<br>** TOTAL FOR CHECK | 1027.30<br>1027.30 |
| <div style="border: 1px solid blue; border-radius: 50%; padding: 10px; width: fit-content; margin: 0 auto;">                     Lease Bonus for full mineral interest in 5.62 acres @ \$165.00/acre, (Salem Road and Hall Road) Nelson Smith Survey, A-100, Washington County, Texas, plus \$100.00 processing fee.                 </div> |                |              |                |                                      |                    |



THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND

**CHESAPEAKE OPERATING, INC.**

P.O. Box 18496 Ph. 405-848-8000  
Oklahoma City, OK 73154

NationsBank, N.A.  
Vandalia, MO  
80-1789/815

|           |
|-----------|
| Check No. |
| 139277    |

|         |
|---------|
| Date    |
| 4/30/98 |

|                 |
|-----------------|
| Amount          |
| *****\$1,027.30 |



■ ONE THOUSAND TWENTY-SEVEN DOLLARS AND 30 CENTS \*\*\*\*\* VOID AFTER 90 DAYS

Pay To The Order Of  
 TEXAS GENERAL LAND OFFICE  
 1700 N. CONGRESS AVE, RM 600  
 AUSTIN TX 78701 1495

201084

*[Handwritten Signature]*


Second Signature Required Over \$5,000.00

AFFIDAVIT

STATE OF OKLAHOMA )  
 ) SS  
COUNTY OF OKLAHOMA )

ON BEHALF OF CHESAPEAKE OPERATING, INC., I, KINNEY LOUTHAN, AS SENIOR LANDMAN FOR THE TEXAS LAND DEPARTMENT AND AS THE ADMINISTRATOR OVERSEEING THE LANDS DESCRIBED IN THE OIL AND GAS LEASES AFFECTING SUCH DO HEREBY CERTIFY THAT AS TO THE BEST OF MY KNOWLEDGE THE HIGHEST BONUS CONSIDERATION PAID TO THE LESSOR(S) IS \$165.00 PER NET MINERAL ACRE; THE HIGHEST ROYALTY PAID TO THE LESSOR(S) IS 3/16TH FOR A ONE (1) YEAR PAID UP LEASE.


IN WITNESS WHEREOF, THIS AFFIDAVIT IS EXECUTED THIS 4 TH, DAY OF MAY, 1998.

  
KINNEY LOUTHAN  
SENIOR LANDMAN

ACKNOWLEDGMENT

STATE OF OKLAHOMA )  
 ) SS  
COUNTY OF OKLAHOMA )

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THE 4th DAY OF May, 1998, BY KINNEY LOUTHAN.

  
NOTARY PUBLIC

MY COMMISSION EXPIRES:  
January 17, 2000

**STREIT, PETERSON, HALL & KEENEY, L.L.P.**

ATTORNEYS AT LAW  
5847 SAN FELIPE, SUITE 800  
HOUSTON, TEXAS 77057

DAVID R. STREIT  
ANTONE L. PETERSON, III  
WILLIAM P. HALL  
RANDOLPH V. KEENEY

(713) 977-5165  
FAX 977-5198

April 14, 1998

**RECEIVED**

APR 24 1998

**TITLE DEPARTMENT**

VIA FEDERAL EXPRESS

Chesapeake Operating, Inc.  
6206 North Western  
Oklahoma City, Oklahoma 73118

Attn: Mr. Kinney Louthan

Re: Hahn No. 1-H Unit, 795.66 acres out of the  
Nelson Smith Survey, A-100, and the James  
Schrier Survey, A-98, Washington County, Texas

Dear Kinney:

I am enclosing herewith an original and copy of this firm's  
Original Title Opinion (Drilling) and Division Order Title Opinion  
covering the proposed Hahn OL No. 1-H Unit. This firm's statement  
for professional services rendered in connection with examination  
of title and preparation of this Opinion will be forwarded directly  
to Accounts Payable.

Thanks for the opportunity of working with you in this matter  
and if you have any questions or need any additional information at  
this time, please do not hesitate to give me a call.

Very truly yours,

STREIT, PETERSON, HALL & KEENEY, L.L.P.

*David R. Streit*  
David R. Streit

DRS/db  
Enclosures

CHES/HAHN/LOUTHAN.LTR

ENERGY RESOURCES  
98 MAY -6 AM 11:05  
RECEIVED

170

X1,027.30

98045724

Chesapeake Operating, Inc.  
March 30, 1998

Unit Tracts 19 and 20:

None.

REQUIREMENT: With respect to the Liens and Encumbrances listed under Unit Tract 6, 13, 14, 16 and 18 described above, obtain, furnish for examination and file for record either (1) a release of such Lien enumerated above or (2) a subordination of each of such Lien(s) to the pertinent Lease.

24.

UNIT TRACT 21 - STATE OF TEXAS UNLEASED

You will note that the State of Texas is accredited with 100% of the minerals (unleased) in Unit Tract 21, representing what is known as Salem Road and Hall Road. This interest accredited to the State of Texas was created by the following conveyances:

1. Deed dated March 6, 1908 executed by William Sommerfeld et al to Washington County, Texas (56/444 DR) covering lands for a county road in the Nelson Smith and J. Carrington Surveys;
2. Deed dated April 7, 1902 executed by R. H. King et al to E. P. Currie, County Judge of Washington County, Texas (46/351 DR) conveying six acres out of the Nelson Smith Survey for the purpose of building a road;
3. Deed dated March 9, 1912 executed by John Loesch et al to Washington County, Texas (62/482 DR) covering a .32 acre tract out of the L. F. Winkelmann acreage intended for a road right-of-way;
4. Deed dated August 10, 1929 executed by F. Wiesepepe et ux to S. D. W. Low, County Judge of Washington County (96/522 DR) conveying 1.25 acres including part of an old road.

The above described conveyances are Warranty Deeds with no mineral reservations. We are unable to determine from the metes and bounds contained in said Deeds, exactly which Deeds cover the acreage

Chesapeake Operating, Inc.  
March 30, 1998

included in this Unit, however, these conveyances are executed by individuals who owned an interest in these Unit Tracts at the time the conveyances were made and these conveyances include acreage within the Nelson Smith Survey A-100.

REQUIREMENT: From the metes and bounds descriptions contained in said Deeds, you should determine which Deeds cover all or portions of the Unit Tract included in this Opinion and you should obtain and file for record an Oil and Gas Lease executed by the State of Texas covering said acreage.

25.

UNIT TRACT 8, LEASE NO. 8

Reference is made to Lease No. 8 discussed above dated October 26, 1994 executed by Waldo E. Moeller, Individually and as Independent Executor of the Estate of Jeannette Moeller deceased (Lessor) to Chesapeake Operating, Inc. (Lessee). This Lease covers a total of 190.986 acres described in four tracts of land containing 47.395 acres, 4.237 acres, 72.77 acres (Unit Tract 8), and 66.577 acres. This Lease contains the following provision:

(19) Notwithstanding anything herein to the contrary, in the event Lessee exercises his right to pool the leased premises, Lessee shall include at least 1/2 of the herein leased premises in such pooled Unit.

You will note that 72.81 acres (being the resurveyed acreage for 72.77 acres being listed as Tract No. 3) is included in this Unit which is less than 1/2 of the leased acreage.

REQUIREMENT: You should either (1) obtain an amendment to this Lease deleting paragraph (19) of the rider requiring Lessee to pool at least 1/2 of the leased premises in any pooled Unit; (2) obtain approval of your Unit executed by this Lessor which will authorize the pooling of less than 1/2 of the leased premises; or (3) re-define this Unit so that at least 1/2 of this leased acreage is pooled in your Unit.

TRACT LISTING

April 8, 1998

CHESAPEAKE OPERATING, INC.

HAHN OL NO. 1-H UNIT

NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98,  
WASHINGTON COUNTY, TEXAS

| <u>TRACT</u> | <u>MINERAL OWNER(S)</u>          | <u>ACREAGE</u> | <u>VOLUME/PAGE</u> *                      |
|--------------|----------------------------------|----------------|---|
| 1            | Joan E. Free                     | 49.21 Acres    | 624/590                                   |
| 2            | Berry Lee Malkey                 | 22.52 Acres    | 764/294                                   |
| 3            | OMITTED                          |                |   |
| 4            | Charlie Rosenbaum, Jr., et al    | 50.43 Acres    | 806/425, 435/811                          |
| 5            | Gladys S. Hueske, et al          | 109.60 Acres   | 351/239, 234/119                          |
| 6            | Tom P. Collier                   | 55.24 Acres    | 658/574                                   |
| 7            | Gloria L. Coles                  | 27.74 Acres    | 259/474                                   |
| 8            | Waldo E. Moeller                 | 72.81 Acres    | 345/763                                   |
| 9            | Billy Ray Grimm                  | 4.09 Acres     | 335/971                                   |
| 10           | Elda Hahn                        | 45.18 Acres    | 309/903                                   |
| 11           | Erwin A. Grawunder               | 46.78 Acres    | 196/146                                   |
| 12           | Louis H. Winkelmann, et al       | 70.50 Acres    | 526/679, 185/006                          |
| 13           | Donald Ray Smith                 | 81.74 Acres    | 362/742                                   |
| 14           | Clamens Tiemann, et al           | 10.00 Acres    | 487/398                                   |
| 15           | Ora Nell Tiemann                 | 69.67 Acres    | 572/687, 463/670, 327/349                 |
| 16           | Darlene Ann Tiemann              | 4.75 Acres     | 322/719                                   |
| 17           | David Wieghat                    | 0.32 Acre      | 669/540                                   |
| 18           | Marian Wehmeyer                  | 20.58 Acres    | 293/358, 371/326, 331/1007                |
| 19           | Gilbert R. Ziegenbein            | 30.72 Acres    | 386/675                                   |
| 20           | Aline Weiss                      | 18.16 Acres    | 386/677, 278/119                          |
| 21           | Washington County/State of Texas | 5.62 Acres     | 96/522, 62/482, 56/444<br>96/501 & 46/351 |
| TOTAL UNIT   |                                  | 795.66 ACRES   |   |

\* All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, Texas.

Title furnished by Chesapeake Operating, Inc.

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.

Prepared by Donald W. Lampe Professional Land Surveyors, in conjunction with a separate plat and description dated April 8, 1998.

1657LIS2  
1657-98

THE STATE OF TEXAS.

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

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

(seal)

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

Filed for record May 14, A.D. 1912 at 4 O'clock, --P.M. ( ) GREEN MORGAN, C. G. O. W. O.

Recorded May 15, A.D. 1912 at 6 O'clock, ----- P.M. ( ) BY *A. J. Went* Deputy.

DEED-- John Loesch et al TO WASHINGTON CO.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON. ( ) KNOW ALL MEN BY THESE PRESENTS: That We, John Loesch, Ad Weiss, Wm. Kemper, Aug. Zander, Henry Wiesepepe, Mrs. H. Winkelmann, L. F. Winkelmann, Ed Jahnke, and Wm. Kemper Fred Hueske & O. H. Loesch, Trustees for the Salem Church, of the County of Washington, State of Texas, for and in consideration of the sum of One Hundred and Ninety Seven & 66/100

Dollars to us in hand paid by W. R. Ewing, County Judge of Washington County, The receipt of which payment is hereby acknowledged, as follows:-

|  |         |
|--|---------|
| Paid to John Loesch for 18/100 acres of land @ \$50.00 per acre and moving fence----   | \$11.70 |
| " " Ad Weiss for 34/100 acres of land at \$50.00 per acre \$17.00 and moving 105 panels fence @ \$5.25 -----                             | \$22.50 |
| Paid to Wm. Kemper for 41/100 acres of land at \$50.00-\$20.50 and moving 170 panels fence   | \$29.00 |
| \$8.50-----  |         |
| Paid to Aug. Zander for 66/100 acres of land at \$30.00 per acre \$19.80 and moving 196-1/4 panels of fence \$9.80-----                  | \$29.60 |
| Paid to Henry Wiesepepe for 68/100 acres of land at \$30.00 per acre <sup>\$20.40</sup> and moving 114 panels of fence \$5.70-----       | \$26.10 |
| Trustees Salem Church 268/1000 acres of land at \$50.00 per acre <sup>\$13.40</sup> and moving 77 panels fence \$3.85-----               | \$17.25 |
| Paid to Mrs. H. Winkelmann for 226/1000 acres of land at \$50.00, per acre <sup>\$11.30</sup> and moving 65-3/4 panels fence-\$3.28----- | \$14.58 |
| Paid to L. F. Winkelmann for 32/100 acres of land, at \$50.00, per acre, and moving <sup>\$16.00</sup> 93 panels fence -\$4.65-----      | \$20.65 |
| Paid to Ed Jahnke for 38/100 acres of land at \$50.00 per acre, \$19.00, and moving 110 panels fence \$5.50-----                         | \$24.50 |

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

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

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

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

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

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

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

THE STATE OF TEXAS.

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

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

(seal)

Green Morgan, County Clerk,

Washington County, Texas.

By A.J. Wendt Deputy.

Filed for record May 14, A.D. 1912 at 4 o'clock, -- P.M. () GREEN MORGAN, C.C.C.W.C.

Recorded May 17, A.D. 1912 at 3 o'clock, ----- P.M. () BY *A.J. Wendt* Deputy.

WARRANTY DEED: W. STRUCKMEYER & WIFE, TO WASHINGTON COUNTY.

THE STATE OF TEXAS }  
COUNTY OF WASHINGTON ) KNOW ALL MEN BY THESE PRESENTS: That we, Wm. Struckmeyer & wife Hulda Struckmeyer, of the County of Washington State of Texas, for and in consideration of the sum of (\$43.50) Forty-Three & 50/100 Dollars paid us by John Addicks, and Twenty-Six & 50/100 (\$26.50) paid us by W. Drehn, the receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said S. D. W. Low County Judge, and his successors in said office of the County of Washington State of Texas, all that certain tract or parcel of land lying and being situated in Washington County, Texas, and a part of the 202 acre tract bought of the Dils heirs,

Beginning at the point where the N. E. line of the new road crosses the line between our tract and the W. Drehn tract. this being a corner of the 1-1/2 acre tract conveyed by said Drehn to the County. Thence with the S. W. line of the tract S. 47 E. 970 vrs. to corner. Thence N. 71 E with our line 82 vrs. more or less., or such a distance as will be 60 feet N. E. of the original S. W. line of the tract. Thence N. 47 W. 720 vrs. more or less to a point N. 43 E. 60 ft. from the South corner of the 1-1/2 acre tract conveyed the County by Wm. Drehn, Thence N. 53-1/2 W. 245 vrs. more or less to the beginning corner, containing an area of 5.9 acres of land there being about 1.9 acres in the old road, leaving 2 acres in the new road which is now added to the old road.

2nd. piece out of the same 202 acre tract.

Beginning at the East corner of the John Loesch tract in the old road. Thence running the center line of the 60 ft. road as follows: S. 43 W. along the N. E. line of the old road which is 30 ft. wide 274 vrs. to corner. Thence N. 63 W. along the East line of the old road, which will be the center line of this 60 ft. road at 225 vrs. to corner. Thence with the center line of the 60 ft. road S. 82-1/4 W. 50 vrs. to corner, in Wisconsin line. The area contained in the 60 ft. road will be 2-1/2 acres of land about 1/2 of the acreage being in the old road.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge, and his successors in said office, heirs and assigns forever and we do hereby bind ourselves, our heirs, executors and administrators, to warrant and Forever Defend, all and singular the said premises unto the said S. D. W. Low, County Judge and his successors in said office, heirs and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, this 10th day of August, 1929.

Wm. Struckmeyer.  
Hulda Struckmeyer.

THE STATE OF TEXAS }  
COUNTY OF WASHINGTON ) Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. Struckmeyer, and Hulda Struckmeyer, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Hulda Struckmeyer, wife of the said W. Struckmeyer, having been examined by me apart and apart from her husband, and having the same fully explained to her, she, the said Hulda Struckmeyer, acknowledged such instrument to be her act, and deed and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 29 day of Aug. A. D. 1929.

(L.S.)

Filed for record at 3 o'clock P. M. Aug. 29, 1929.

Recorded at 3:50 o'clock P. M. Aug. 29, 1929.

Wm. Wendt, Notary Public in and for Washington County, Texas.

C. B. Thompson

CCC.C.

*[Handwritten Signature]*

Deputy.

WARRANTY DEED: WM. DREHN AND WIFE TO WASHINGTON COUNTY.

THE STATE OF TEXAS }  
 COUNTY OF WASHINGTON ) KNOW ALL MEN BY THESE PRESENTS: That we, Wm. Drehn, and wife, of the County of Washington State of Texas, for and in consideration of the sum of One & 00/100 (\$1.00) Dollars, to us in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: Have Granted, Sold and Conveyed, and by these presents, do Grant, Sell and Convey unto the said S. D. W. Low, County Judge and his successors in said office, of the County of Washington State of Texas, all that certain tract or parcel of land lying and being situated in Washington County, Texas, and a part of the Nelson Smith League, Begin at a point in W. Drehn's fence row in the S. W. line of the Wesley Highway this point being S. 43 W about 60 yrs. from Drehn North corner. Thence with the East line of the new road S. 61 E. crossing the creek; at 250 yrs. to corner in the N. E. line of said Drehn's tract of land in the old road. Thence with said line S. 47 E. 265 yrs. to corner in said line. Thence N. 53-1/2 W. 294 yrs. to corner. Thence N. 61 W. 225 yrs. to corner in S. E. line of said Drehn's fence at the Wesley road. Thence with said fence row and the S. E. line of said Wesley road N. 43 E. 62 feet to the beginning or such a distance as will make this road 60 ft. wide and will contain 1-1/2 acres of land a part of this area is contained in the old road.

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge and his successors in said office, heirs and assigns forever and we do hereby bind ourselves, our heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said S. D. W. Low, County Judge, and his successors in said office, heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, this 10th day of August, A. D. 1929.

Wm. Drehn.  
 Emma Drehn.

THE STATE OF TEXAS }  
 COUNTY OF WASHINGTON ) Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Wm. Drehn, and Emma Drehn, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Emma Drehn wife of the said Wm. Drehn, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Emma Drehn, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it. Given under my hand and seal of office, this the 29 day of Aug. A. D. 1929.

Wm. Wendt. Notary Public in and for Washington County, Texas.

(L.S.) Filed for record at 3 o'clock P. M. Aug. 29, 1929. C. B. Thompson CCCWC.  
 Recorded at 4:05 o'clock P. M. Aug. 29, 1929. By *[Signature]* Deputy.

\*\*\*\*\*  
 WARRANTY DEED: BRYCE WARREN & BETTIE WARREN & ANNIE WARREN TO TOM HUNT & ROSA HUNT.

THE STATE OF TEXAS }  
 COUNTY OF BURLESON ) ) KNOW ALL MEN BY THESE PRESENTS: That we, Bettie Warren and husband Bryce Warren & Daughter Annie Warren, of the County of McLennan State of Texas, for and in consideration of the sum of One Thousand Dollars to us paid, and secured to be paid, by Tom Hunt and Rosa Hunt as follows: Five Hundred Dollars cash in hand paid the receipt of which is hereby acknowledged, and fully confessed, and one promissory vendor's lien note for the sum of Five Hundred Dollars, due and payable in monthly instalments of Fifty dollars each, first instalment due and payable on Sept. 1st, 1928 and one instalment of Fifty dollars due and payable on the lat

WARRANTY DEED: F. WIESEPAPPE AND WIFE TO WASHINGTON COUNTY.

THE STATE OF TEXAS }  
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS: That we, F. Wiesepape and wife Elsie Wiesepape, of the County of Washington, State of Texas, for and in consideration of the sum of One & 00/100 (\$1.00) Dollars, to us in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said S. D. W. Low County Judge, and his successors in said office, of the County of Washington, State of Texas, all that certain tract or parcel of land lying and being situated in Washington County, Texas, and a part of the Nelson Smith league,

Beginning at the East corner of the Buckhorn tract. Thence S. 47 E. 36 feet to corner in the S. E. line of the old road. Thence N. 47 E. 112 vrs. to corner in field. Thence N. 82-1/4 E. 212-1/2 vrs. to corner in the N. E. line of the tract. Thence with the said line N. 47 W. 28 vrs. to corner in North line of the old road. Thence with said road line S. 83-1/2 W. 200 vrs. to corner. Thence with the original N. W. line of the tract S. 43 W. 125 vrs. more or less, to the beginning corner, containing an area of 1-1/4 acres of land including that part of the old road in these field notes.

TO HAVE AND TO HOLD THE above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, and his successors in said office, heirs and assigns forever and we do hereby bind ourselves, our heirs, executors and administrators to Warrant and Forever Defend, all and singular the said premises unto the said S. D. W. Low, County Judge, and his successors, in said office, heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, this Dth day of August, A. D. 1929.

F. Wiesepape.  
Elsie Wiesepape.

THE STATE OF TEXAS }  
COUNTY OF WASHINGTON }

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

Given under my hand and seal of office, this the 4th day of Sept. A. D. 1929.

C. B. Thompson, Co. Clerk, in and for  
Washington County, Texas.  
By A. T. Rutz, Deputy.

(Seal)

Filed for record at 1:15 o'clock P. M. Sept. 4th, 1929. C. B. Thompson CCCWC.  
Recorded at 3:10 o'clock P. M. Sept. 4, 1929. By *[Signature]* Deputy.

DEED: ANNIE KOBNECK BAILEY & HUSBAND TO DAN & AUGUSTA KOBNECK.

THE STATE OF TEXAS }  
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS: That we, Annie Kobneck Bailey and J. W. Bailey, wife and husband, of Washington County, Texas, for and in consideration of the sum of Ten (\$10.00) Dollars to us cash in hand paid by Dan Kobneck and Augusta Kobneck, the receipt of which is hereby acknowledged in full and for the love and affection and other valuable considerations to us cash in hand paid, all of which are acknowledged in full have Granted, sold and conveyed

and by these presents do Grant, Sell and convey, unto Dan Kobneck and Augusta Kobneck, husband and wife of Washington County, Texas, all of the following described tracts or parcels of land;

All that certain lot or parcel of land lying and being situated in Washington County, Texas, being in Independence, a part of the T. S. Sauls League, and being the same 3-04/100 acres of land that was conveyed to J. M. Burford, by deed from Peter and Nettie Graves, bearing date Nov. 28th, 1901, and recorded in Volume 47, page 508 of the Deed Records of Washington County, to which reference is here had and made a part hereof for more complete description of said tract.

Also, all those three certain tracts of land, being the same that was conveyed to J. M. Burford by deed from W. C. Crane et al. bearing date 23rd day of April 1894, which is duly recorded in Volume 37, page 587, of the Deed Records of Washington County, Texas, to which reference is here had and made a part hereof for more complete description of said three tracts.

Also, all those two certain lots or parcels of land, lying and being situated in Washington County, Texas, a part of the Sauls League in the town of Independence and known as Block Nos. 37 and 38, according to the plat of said town, and being the same lots conveyed to J. M. Burford September 30th, 1901, by Wm. Chappell as recorded in Volume 47, page 507, of the Deed Records of Washington County, Texas.

Also, all that certain lot conveyed to J. M. Burford by Mrs. Bettie Clay on June 4th, 1900 by her deed, which is recorded in Volume 57, page 360, of the Deed Records of Washington County, Texas, to which reference is here had and made a part hereof for more complete description of said lot.

Being the same property conveyed by J. M. Burford and wife, Kate C. Burford, to Dan Kobernick and wife, Augusta Koebornick, by deed dated December 18th, A. D. 1913, and recorded in Volume 65 page 439, of the Deed Records of Washington County, Texas.

The above described land being the property upon which we, the said Dan Kobneck and Augusta Kobneck, reside as a home

All those certain tracts or parcels of land lying and being situated in Washington County, Texas.

First Tract: Described as follows: Out of the T. S. Saul League. Beginning at large stone marked W. N. and N. E. corner of the John H. Seward tract and being situated in the line between the Susannah Clampitt League and this marked a P. O. Sapling X. bearing S. 51 E. 9 1/2 ft. Then with N. E. line of said Seward tract S. 16 deg. 10' E. 523 1/2 vrs. to corner of 163-64/100 acre tract belonging to F. W. Loesch, then with his N. line N. 73 deg. 55' E. 559 vrs. to corner of same. Then with E. line of sd. Loesch tract S. 16 E. 704 vrs. to corner North of the Loesch house. Thence N. 74 E. 110 vrs. to cor. from which a hackberry marked WC bears S. 84-2/3 W. 51.3 vrs. Then S. 16 E. 240 vrs. to corner of South side of the public road. Then S. 74 W. 110 vrs. to cor. on North side of the Road. Then S. 16 E. 698 vrs. to S. E. corner of 67 acres sold by F. W. Loesch to Fritz Kackler in the North line of C. Schultes tract and common corners of 3 & 6 & 4 & 5. Then with sd. Schultes North line N. 74 E. 535 1/2 vrs. to corner Nos. 3 & 4 in West line of a 302 acre tract belonging to Jno. H. Seward Estate. Then with the East line of this tract (former Ann Seward) N. 16 W. at 940 vrs. cross the road at 1585 vrs. pass corner of Nos. 3 & 2, both of which tracts are contained in this survey at 2165 vrs. the "E" corner of No. 2 from which a Post Oak bears N. 83 W. 6 ft. Petrified chunk for corner. Then with the league line S. 74 W. 1105 vrs. to the beginning corner, containing an area of 255 1/2 acres of land.

Second tract: A part of the Susannah Clampitt League and being the 20 acres tract of land described in a deed of trust styled W. G. Thornhill & wife to C. G. Bott, trustee for use of F. W. Schuereberg, and recorded in Book L, page 163, Deed of Trust Records in said County, and

described by W. B. Francois as follows: Beginning at upper corner in Hale's Branch at point where the Jno. H. Seward north line of a 200 acre tract crosses said branch a Pin Oak N. 74 E. on bank of creek. Then with the Seward line N. 74 E. 277 vrs. to corner in a deep branch of sd. Hale Branch and corner of the Hume tract. Then with Hume's West line N. 16 West 470 vrs. to corner. Then S. 74 W. 178 vrs. to corner in said Hale's branch a Boisdere bears N. 74 1/2 E. 21 ft. Then up said Hale Branch in the center thereof & with all its meanderings to the beginning corner, containing an area of 18 1/2 acres of land.

The above are the same and identical tracts conveyed to Annie Kobneck Bailey, one of the grantors herein by Dan Kobneck and wife Augusta Kobneck, husband and wife by deed dated June 20, 1929 and recorded in Vol 96 page 11 and Vol. 96 page 13 of the Washington County Deed Records, to which deeds and the records thereof reference is here had and made for description and for all intent and purposes. It being the intention of this instrument to re-convey to said Dan Kobneck and Augusta Kobneck what interest was conveyed to us by them in said deeds.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Dan Kobneck and Augusta Kobneck, their heirs and assigns forever; and we do hereby bind our heirs, executors and administrators, to WARRANT AND FOREVER DEFEND, all and singular the said premises unto the said Dan Kobneck and Augusta Kobneck, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, August 26th A. D. 1929.

J. W. Bailey.  
Mrs. Annie Kobernick Bailey.

THE STATE OF TEXAS

COUNTY OF WASHINGTON

Before me, the undersigned authority, on this day personally appeared J. W. Bailey and his wife Annie Kobneck, Bailey, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed. And the said Annie Kobneck Bailey wife of J. W. Bailey, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Annie Kobneck Bailey 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 4 day of September, A. D. 1929.

(Seal)

A. W. Hodde. Notary Public in and for Washington County, Texas.

Filed for record at 1:20 o'clock P. M. Sept. 4, 1929.

C. B. Thompson CCCWC.

Recorded at 4:25 o'clock P. M. Sept. 4, 1929.

By *[Signature]* Deputy.

\*\*\*\*\*  
TRANSFER OF MINERAL LEASE: R. E. PENNINGTON, ET AL WITH J. A. CONKLIN.

THE STATE OF TEXAS

COUNTY OF WASHINGTON

THIS MEMORANDUM OF AN AGREEMENT this day made and entered into by and between R. E. Pennington of Washington County, Texas, Mrs. A. M. Krug, a feme sole, of Washington County, Texas, and H. L. Williams, of Jefferson County, Texas, parties of the first part, and J. A. Conklin, of Galveston County, Texas, party of the second part, WITNESSETH:

That parties of the first part have this day transferred, sold, and assigned, and by these presents do grant, sell, transfer, and assign unto the second party the oil and mineral lease subject to the original lease on, in, and under the following described land, to-wit:

Being Ten acres of the F. Pomykal et al 40 acre tract, part of the S. M. Williams League, and the 10-acre tract is situated in Washington County, Texas.

DEED 46

351

THE STATE OF TEXAS,

County of Washington

Know all Men by these Presents:

THAT Mr. R. H. King, F. W. Rosenbaum, Mrs. Theodora Schaub, A. Bule and W. Drach

of the County of Washington State of Texas for and consideration of the sum of One Hundred and Fifty Eight 7/100 DOLLARS,

to us in hand paid by E. P. Hurry County Judge of Washington Co Texas

HAVE GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY, unto the said

E. P. Hurry County Judge

of the County of Washington State of Texas

all that certain tract or parcels of land, part of the Nelson, Smith League situated about 5 miles S. W. of Brenham Washington Co Texas, consisting of strips from our various adjoining tracts and extending from the Brenham & Industry road to the Brenham & Wesley road. The said tract of land is more fully described as follows:

Beginning at a stake in the N. line of the Brenham & Industry Road at its intersection with the dividing line between the lands of Sam King & F. W. Rosenbaum Thence N 47° W with the said dividing line and with the line between F. W. Rosenbaum & Mrs. Schaub and taking a strip from each tract 5 rods wide 1049 rods to the intersection with a 20 ft road Thence S 39° W with Rosenbaum's N. line taking a strip 3 rods wide from Rosenbaum 256 rods to A. Bule & F. W. Rosenbaum's common corner Thence on Bule's take as follows: S 43° 30' W 25 rods to A. Bule and John's common corner S 39° 48' W 50 rods to A. Bule's cor. E 07° 57' 36" W 31 rods N 83° 15' W 38 rods to a stake near where Bule's gin stood taking from Bule's strip 3 rods wide Thence with the line between Bule & Schaub taking a strip 7 rods wide from Bule's follows S 82° 48' W 205 rods S 48° W 119 rods to Bule's S. W. corner Thence with Bule's W. line N 47° W 865 rods to Drach's S. E. corner Thence with the line between Bule and Drach and approaching and crossing said line N 50° 30' W 168 rods N 51° W 104 rods to a stake and bank of creek 12 rods from Drach's line Thence N 45° W 170 rods to intersection with the E. line of Brenham & Wesley Road; the last named strip being of an average width of 11 rods containing in all 6 acres of land.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said E. P. Hurry County Judge of Washington Co and his successors in office

DOING SO forever; and we do hereby bind ourselves our heirs, executors and administrators, to WARRANT AND FURNISH DEFENSE, all and singular the said premises unto the said E. P. Hurry County Judge of Washington Co and his successors in office

lawfully claiming or to claim the same or any part thereof.

Witness our hand and seal of office, this 17th day of April A. D. 1902

R. H. King  
By E. P. Hurry C.J.

A. Bule  
W. Drach  
Mrs. Theo. Schaub  
F. W. Rosenbaum

THE STATE OF TEXAS,

County of Washington

Before me, O. A. Seward County Clerk

by and for Washington County, Texas, on this day personally appeared A. Bule, W. Drach, Mrs. Theo. Schaub by their agents, W. Schaub, F. W. Rosenbaum & R. H. King by R. H. King agent

to me to be the personal witness hereunto, subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 17th day of April A. D. 1902 O. A. Seward C. C. W. C.

THE STATE OF TEXAS,

County of Washington

Before me,

knows 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 Wife of acknowledged same

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 17th day of April A. D. 1902

Filed for Record this 7th day of April 1902, at 2 o'clock P. M., and Recorded the 18th day of April 1902, at 10 o'clock A. M.

By R. V. Hoffmann Deputy, O. A. Seward Clerk, County Clerk, Washington County, Texas

# PAID UP OIL AND GAS LEASE

9076

THIS LEASE AGREEMENT is made as of the 12th day of October, 1994, between

017089  
Gilbert R. Ziegenbein

whose address is: PO Box 196 New Ulm, Texas 78950 as Lessor (whether one or more),

and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

30.7 acres, more or less, in the Nelson Smith Survey A-100, as described in Volume 386, Page 675, of the Deed Records of Washington County, Texas. AKA, R18815-Tract 122 of the Appraisal District Plat., dated 12-19-1979 from Aline Weiss to Gilbert R. Ziegenbein.

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

Exhibit "A" attached and made a part hereof

In the county of Washington, State of Texas, containing 30.7 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in \_\_\_\_\_

at Industry State Bank  
New Ulm, Texas 78950

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

TX 1670464-000  
TX 1671108-001

T94-2093 35

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder.

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Gilbert R. Ziegenbein*  
Gilbert R. Ziegenbein

\_\_\_\_\_

ACKNOWLEDGEMENT

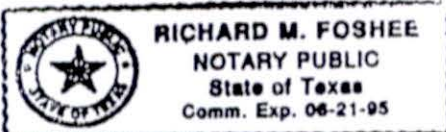
STATE OF TEXAS }  
COUNTY OF WASHINGTON

This instrument was acknowledged before me on the

13<sup>th</sup> day of OCTOBER, 1994

by GILBERT R. ZIEGENBEIN

*Richard M. Foshee*



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

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF

This instrument was acknowledged before me on the

day of

, 19

by

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF

This instrument was acknowledged before me on the

day of

, 19

by  
of  
a

corporation, on behalf of said corporation.

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

RECORDING INFORMATION

RECORD & RETURN TO:  
CHESAPEAKE OPERATING, INC.  
P.O. BOX 18496  
OKLAHOMA CITY, OK 73164

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_ M., and duly recorded

in Book \_\_\_\_\_, Page \_\_\_\_\_, of the \_\_\_\_\_ records of this office.

By \_\_\_\_\_ (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED 10-12-94, BY AND BETWEEN Gilbert R. Ziegenbein AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

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

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

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

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

5. Should Lessee drill a water well for its supply of water pursuant to its operations hereunder, after Lessee's need for said well has ceased, Lessee shall, by written notice, offer said water well to Lessor. It is hereby agreed and understood that upon acceptance by Lessor, and delivery by Lessee of said water well, that the water well will be delivered in an "as is, and where is" condition. Upon Lessor's acceptance of said water well, Lessor agrees to indemnify and hold Lessee harmless against all claims arising from, but not limited to, any loss of materials, interruption, loss of life, injury, or breach of any environmental laws (whether local, state or federal) which exist at the time of Lessor's acceptance, or any time thereafter. If required by any governmental authority, Lessor shall properly plug said water well, according to all laws or regulations governing the plugging of said water well. All monetary expenses involving the repair, upkeep, maintenance or plugging of said water well, which arise on or after Lessor's acceptance hereof, shall be borne solely by Lessor.

Signed for Identification

Gilbert R. Ziegenbein
Gilbert R. Ziegenbein

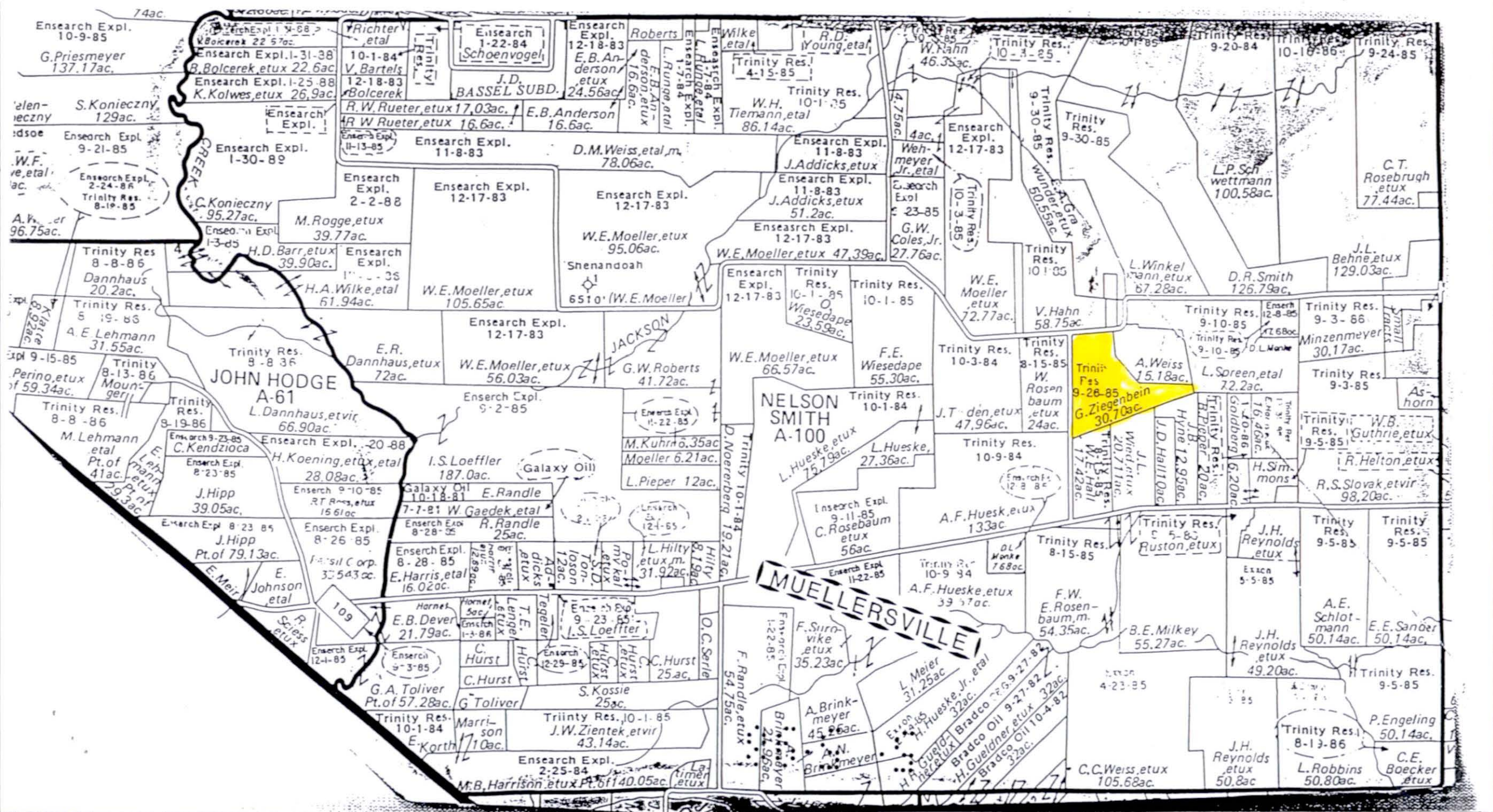
STATE OF TEXAS
COUNTY OF WASHINGTON

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 14 1994



Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

FILED
AT 2:30 P.M.
DEC - 7 1994
Gertrude Lehmann
GERTRUDE LEHMANN
COUNTY CLERK, WASHINGTON COUNTY, TEXAS



760/517

# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 13th day of October, 1994, between  
Louis F. Winkelmann and wife, Dorothy H. Winkelmann

whose address is: 12611 Drumwood, Cypress, Texas 77429 as Lessor (whether one or more),  
and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118

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

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

67.28 acres, more or less, in the Nelson Smith Survey A-100,  
described in Volume 526, Page 679, of the Deed Records in  
Washington County, Texas, dated 1-2-86.  
(AKA-R18817, Tr.#125, of Appraisal District Records)

Exhibit "A" attached and made a part hereof

In the county of Washington, State of Texas, containing 67.28 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Channelview Bank  
Brenham, Texas 77833

at its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Louis F. Winkelmann  
Louis F. Winkelmann

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Dorothy H. Winkelmann  
Dorothy H. Winkelmann

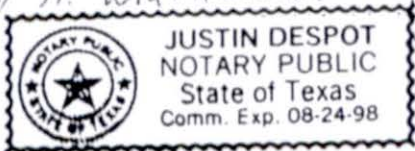
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ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF } Washington  
This instrument was acknowledged before me on the  
by Louis F. Winkelmann  
and Dorothy H. Winkelmann

13 day of October, 1994

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



ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the  
by

\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the  
by  
of  
a  
corporation, on behalf of said corporation.

\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded

Book \_\_\_\_\_ Page \_\_\_\_\_ of the \_\_\_\_\_ records of this office

By \_\_\_\_\_

Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED  
10-13 94, BY AND BETWEEN  
Louis F. Winkelmann & Dorothy H. Winkelmann  
AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

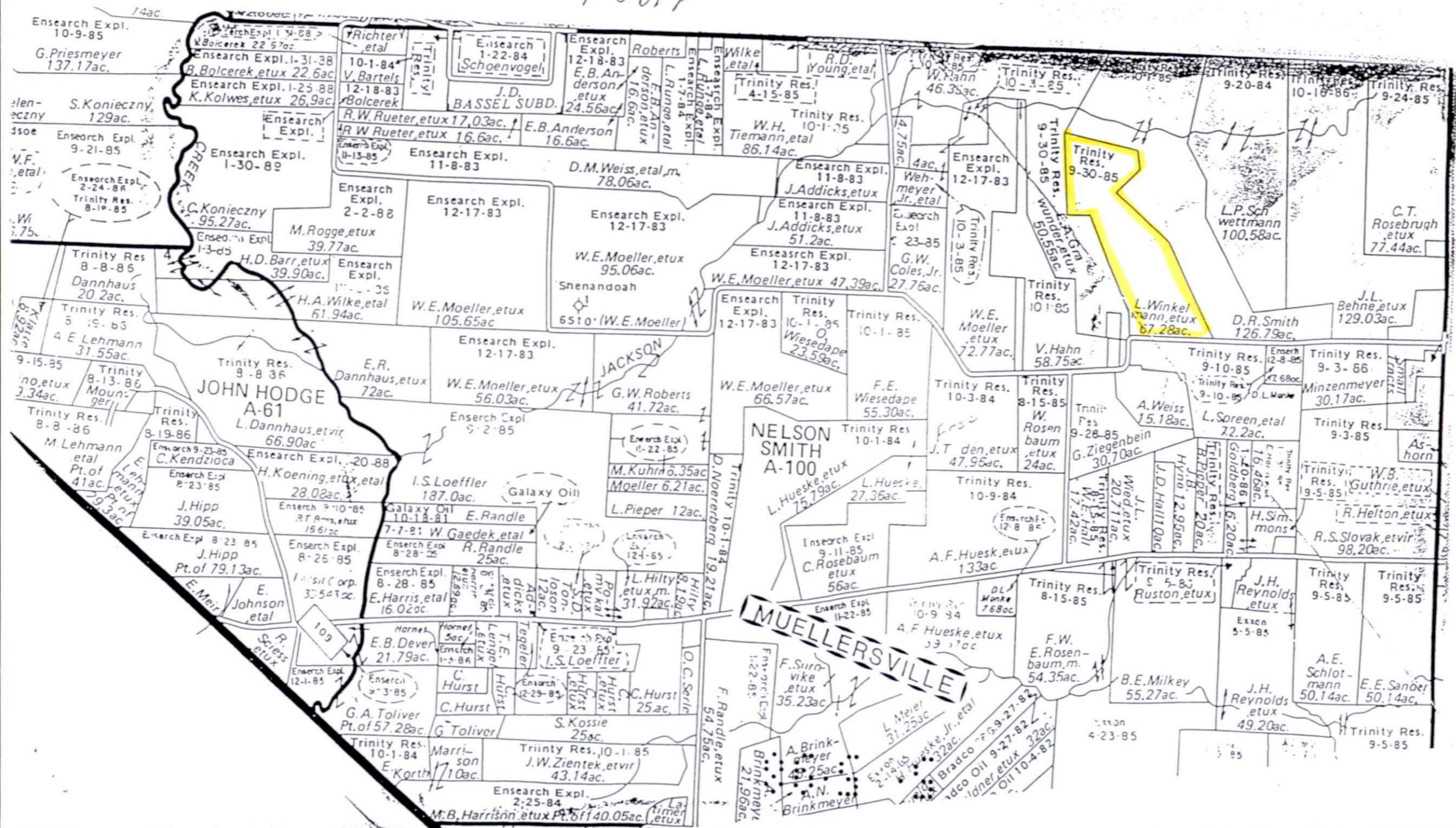
1. This Lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous, or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.
2. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein; provided that if it be by rental payments, rentals shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.
3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.
4. Wherever the fraction "one-eighth" (1/8th) appears in Paragraph three (3) hereof, it is hereby amended to read one-sixth (1/6th).
5. Should Lessee drill a water well for its supply of water pursuant to its operations hereunder, after Lessee's need for said well has ceased, Lessee shall, by written notice, offer said water well to Lessor. It is hereby agreed and understood that upon acceptance by Lessor, and delivery by Lessee of said water well, that the water well will be delivered in an "as is, and where is" condition. Upon Lessor's acceptance of said water well, Lessor agrees to indemnify and hold Lessee harmless against all claims arising from, but not limited to, any loss of materials, interruption, loss of life, injury, or breach of any environmental laws (whether local, state or federal) which exist at the time of Lessor's acceptance, or any time thereafter. If required by any governmental authority, Lessor shall properly plug said water well, according to all laws or regulations governing the plugging of said water well. All monetary expenses involving the repair, upkeep, maintenance or plugging of said water well, which arise on or after Lessor's acceptance hereof, shall be borne solely by Lessor.

Signed for Identification:

Louis F. Winkelmann  
Louis F. Winkelmann

Dorothy H. Winkelmann  
Dorothy H. Winkelmann

R 18817



760/513

# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 13th day of October, 1994, between  
Louis H. Winkelmann, Represented herein by Power of Attorney  
Louis F. Winkelmann, Jr.

whose address is: Rt. 3 Box 790 Brenham, Texas 77833 as Lessor (whether one or more),  
and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

67.28 acres, more or less, in the Nelson Smith Survey A-100,  
as described in the Deed Records, Volume 185, Page 6, of  
Washington County, Texas. ( see also WD- 127/176)  
(AKA-R18817, Tr.#125, of the Appraisal District Records)

Exhibit "A" attached hereto and made a part hereof

in the county of Washington, State of Texas, containing 67.28 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in \_\_\_\_\_

Prime Bank

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

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

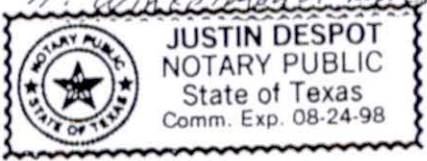
*Louis H. Winkelmann By Law F. Winkelmann Jr.*  
Louis H. Winkelmann  
*Acting Under Power of Attorney dated August 2, 1990*

\_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF } *Washington*

This instrument was acknowledged before me on the *13* day of *October*, 19 *94*, by *Louis H. Winkelmann represented by Power of Attorney Louis F. Winkelmann Jr.*



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

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_  
Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED  
10-13-94, BY AND BETWEEN \_\_\_\_\_  
Louis H. Winkelmann  
AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

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

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

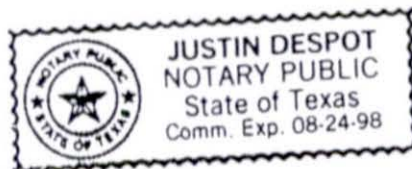
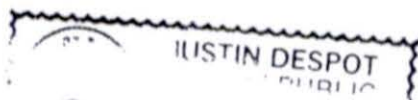
3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to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

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

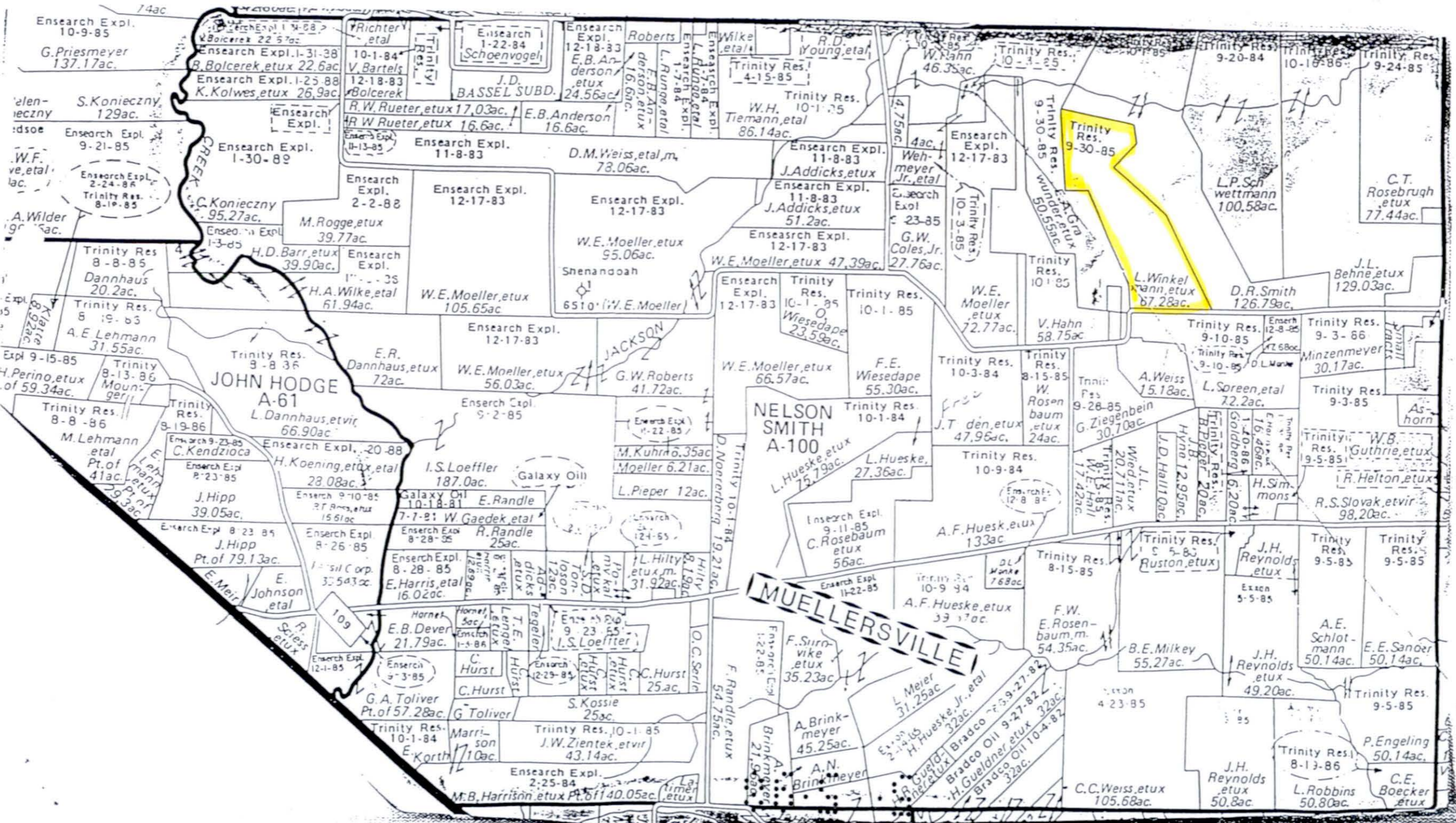
5. Should Lessee drill a water well for its supply of water pursuant to its operations hereunder, after Lessee's need for said well has ceased, Lessee shall, by written notice, offer said water well to Lessor. It is hereby agreed and understood that upon acceptance by Lessor, and delivery by Lessee of said water well, that the water well will be delivered in an "as is, and where is" condition. Upon Lessor's acceptance of said water well, Lessor agrees to indemnify and hold Lessee harmless against all claims arising from, but not limited to, any loss of materials, interruption, loss of life, injury, or breach of any environmental laws (whether local, state or federal) which exist at the time of Lessor's acceptance, or any time thereafter. If required by any governmental authority, Lessor shall properly plug said water well, according to all laws or regulations governing the plugging of said water well. All monetary expenses involving the repair, upkeep, maintenance or plugging of said water well, which arise on or after Lessor's acceptance hereof, shall be borne solely by Lessor.

Signed for Identification:

*Louis H. Winkelmann*  
By *Louis F. Winkelmann*  
\_\_\_\_\_  
Louis H. Winkelmann



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Ensearch Expt. 10-9-85  
G. Priesmeyer 137.17ac.  
Ensearch Expt. 9-21-85  
W.F. Ve, et al. 1ac.  
A. Wilder 9ac.

Ensearch Expt. 1-31-88  
B. Bolcerek, et ux 22.6ac.  
Ensearch Expt. 1-25-88  
K. Kolwes, et ux 26.9ac.  
Ensearch Expt. 1-30-89  
C. Konieczny 95.27ac.

Ensearch Expt. 1-22-84  
Schoenvogel  
Ensearch Expt. 12-18-83  
E.B. Anderson, et ux 24.56ac.  
Ensearch Expt. 11-8-83  
D.M. Weiss, et al, m. 78.06ac.  
Ensearch Expt. 12-17-83  
W.E. Moeller, et ux 95.06ac.  
Ensearch Expt. 12-17-83  
W.E. Moeller, et ux 105.65ac.

Ensearch Expt. 1-7-84  
L. Runge, et al  
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L. Runge, et al

Ensearch Expt. 2-24-84  
Trinity Res. 8-10-85  
Trinity Res. 8-8-85  
Dannhaus 20.2ac.  
Trinity Res. 8-19-83  
A.E. Lehmann 31.55ac.  
Ensearch Expt. 9-15-85  
H. Perino, et ux 59.34ac.  
Trinity Res. 8-13-86  
Moun-ger  
Ensearch Expt. 9-23-85  
C. Kendzioca  
Ensearch Expt. 8-23-85  
J. Hipp 39.05ac.  
Ensearch Expt. 8-23-85  
J. Hipp Pt. of 79.13ac.  
Ensearch Expt. 8-23-85  
E. Meir  
Ensearch Expt. 12-1-85

Ensearch Expt. 2-2-88  
M. Rogge, et ux 39.77ac.  
Ensearch Expt. 1-3-85  
H.D. Barr, et ux 39.90ac.  
Ensearch Expt. 1-3-85  
H.A. Wilke, et al 61.94ac.  
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H.A. Wilke, et al 61.94ac.  
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H.A. Wilke, et al 61.94ac.

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W.E. Moeller, et ux 105.65ac.  
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J. Hipp Pt. of 79.13ac.  
Ensearch Expt. 8-23-85  
E. Meir  
Ensearch Expt. 12-1-85

# PAID UP OIL AND GAS LEASE

5723

THIS LEASE AGREEMENT is made as of the 1st day of July, 19 96, between Aline Weiss, a widow  
2623 Salem Road, Brenham, Texas 77833

as Lessor (whether one or more),  
and Chesapeake Operating, Inc., P.O. Box 18496, Oklahoma City, OK 73154-0496  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

33.664 acres of land, more or less, in the Nelson Smith Survey, A-100, Washington County, Texas, described in the following two tracts of land:

TRACT 1: 2.963 acres of land, more or less, in the Nelson Smith Survey, A-100, Washington County, Texas, and being described in a Warranty Deed, dated August 30, 1968, from Gilbert R. Ziegenbein, et al, to Delmus A. Weiss, et ux, and recorded in Volume 278, Page 119 of the Deed Records of Washington County, Texas

TRACT 2: 30.701 acres of land, more or less, in the Nelson Smith Survey, A-100, Washington County, Texas and being described in a Warranty Deed, dated December 19, 1979 from Aline Weiss to Gilbert R. Ziegenbein and recorded in Volume 386, Page 675 of the Deed Records of Washington County, Texas.

in the county of Washington, State of Texas, containing 33.664 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in direct to Lessor by Certified U.S. Mail at the above address

at Washington, Texas, or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

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

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

SEE ADDENEUM ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Aline Weiss  
Aline Weiss

\_\_\_\_\_  
SS#

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

This instrument was acknowledged before me on the 11th day of July, 1996, by



Helen Schulze  
Notary Public, State of Texas  
Notary's name (printed): Helen Schulze  
Notary's commission expires: 12-15-99

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

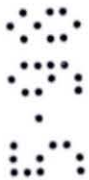
By \_\_\_\_\_ Clerk (or Deputy)

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN PAID UP OIL AND GAS LEASE, DATED JULY 1, 1996, BY AND BETWEEN ALINE WEISS, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

- 15. This lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.
- 16. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.
- 17. Wherever the fraction "one-eighth" (1/8) appears in Paragraph 3 hereof, it is hereby amended to read one-sixth (1/6).

SIGNED FOR IDENTIFICATION:



Alaine Weiss  
ALINE WEISS



FILED  
 3:30 P.M.  
 SEP 16 1996 80  
 Beth A. Rothermel  
 BETH ROTHERMEL  
 COUNTY CLERK, WASHINGTON COUNTY, TX

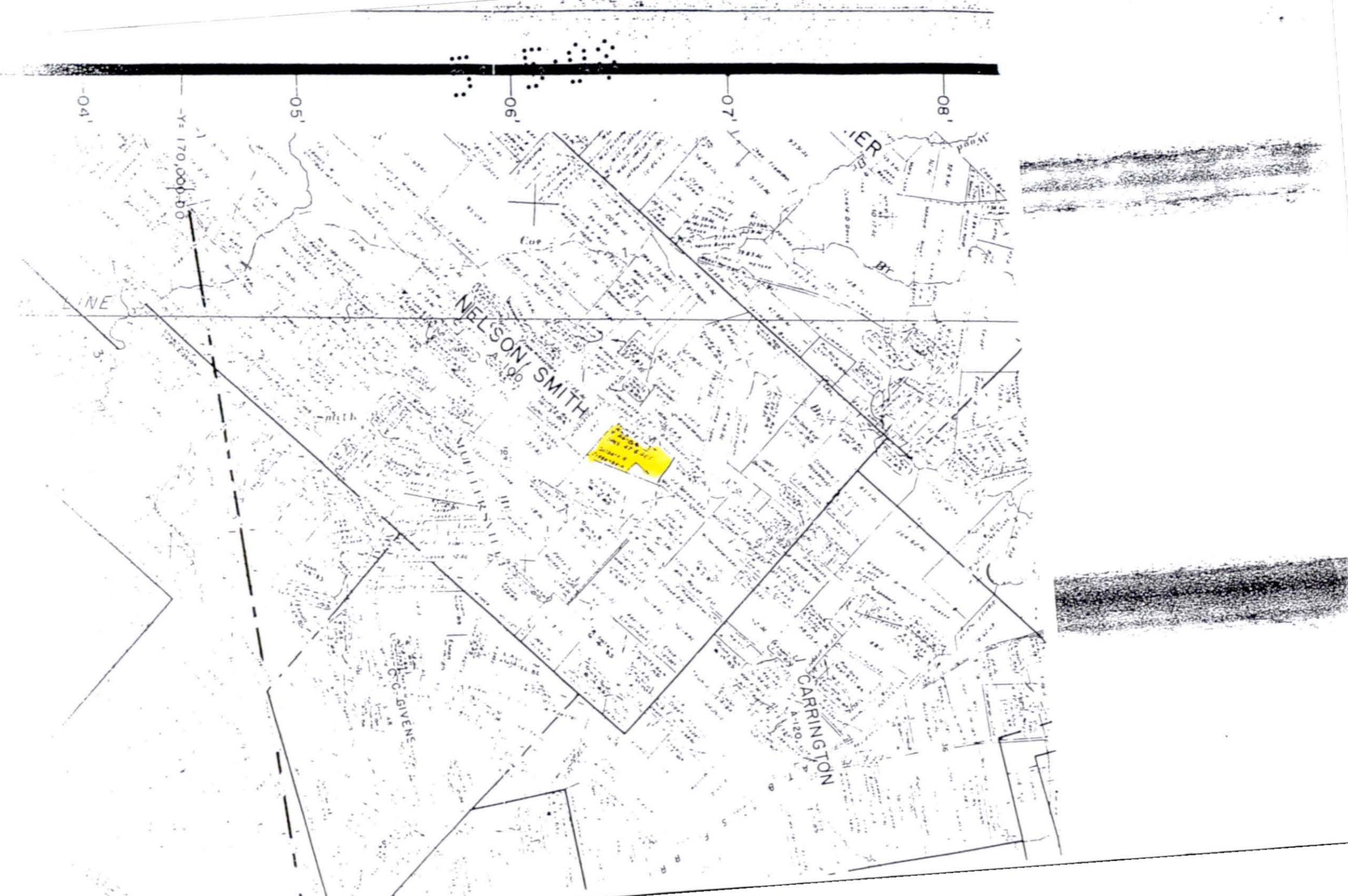
STATE OF TEXAS  
COUNTY OF WASHINGTON

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

SEP 17 1996



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



# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 12th day of October, 19 94, between Aline Weiss 9154

whose address is: Rt. 3 Box 786 Brenham, Texas 77833 as Lessor (whether one or more),  
and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118

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

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

15.18 acres, more or less, in the Nelson Smith Survey A-100, as described in the Deed Records of Washington County Texas in Volume 386, Page 677. AKA, R18812-Tract 118 Appraisal Dist. plat dated 12-19-1979 from Gilbert Ziegenbein to Aline Weiss.

RECORD & RETURN TO:  
CHESAPEAKE OPERATING, INC.  
P.O. BOX 19495  
OKLAHOMA CITY, OK 73114

Exhibit "A" attached and made a part hereof

in the county of Washington, State of Texas, containing 15.18 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Prime Bank

at P.O. Box 2608 Brenham, Texas 77833  
or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Aline Weiss*  
Aline Weiss

\_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF

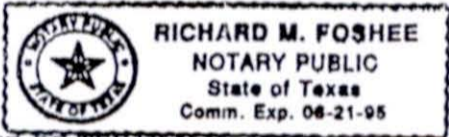
WASHINGTON

This instrument was acknowledged before me on the  
by ALINE WEISS.

13<sup>th</sup> day of OCTOBER, 1994.

*Richard M. Foshee*

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



ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF

This instrument was acknowledged before me on the  
by

day of , 19

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF

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

day of , 19

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

by \_\_\_\_\_ Clerk (or Deputy)

RECORDED & RETURNED  
CHESAPEAKE OPERATING CO.  
P.O. BOX 18496  
OKLAHOMA CITY, OK 73154

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED 10-12-94, BY AND BETWEEN Aline Weiss AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

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

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

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

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

5. Should Lessee drill a water well for its supply of water pursuant to its operations hereunder, after Lessee's need for said well has ceased, Lessee shall, by written notice, offer said water well to Lessor. It is hereby agreed and understood that upon acceptance by Lessor, and delivery by Lessee of said water well, that the water well will be delivered in an "as is, and where is" condition. Upon Lessor's acceptance of said water well, Lessor agrees to indemnify and hold Lessee harmless against all claims arising from, but not limited to, any loss of materials, interruption, loss of life, injury, or breach of any environmental laws (whether local, state or federal) which exist at the time of Lessor's acceptance, or any time thereafter. If required by any governmental authority, Lessor shall properly plug said water well, according to all laws or regulations governing the plugging of said water well. All monetary expenses involving the repair, upkeep, maintenance or plugging of said water well, which arise on or after Lessor's acceptance hereof, shall be borne solely by Lessor.

Signed for Identification

Aline Weiss (handwritten signature) Aline Weiss

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 County Clerk

FILED AT 11:15 AM DEC 12 1994 Gertrude Lehmann County Clerk, Washington County, Texas



837/794

# PAID UP OIL AND GAS LEASE

5989

THIS LEASE AGREEMENT is made as of the 1st day of July, 1996, between

MELVIN ZIEGENBEIN, JR.

4119 Manorview Lane

Dallas, Texas 75228

as Lessor (whether one or more),

and Chesapeake Operating, Inc., P.O. Box 18496, Oklahoma City, OK 73154-0496  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

47.6 acres of land, more or less, in the Nelson Smith Survey, A-100, Washington County, Texas and being the same land described in a Warranty Deed, dated November 26, 1954 from Lonnie Ziegenbein, et al, to Gilbert R. Ziegenbein and recorded in Volume 202, Page 192 of the Deed Records of Washington County, Texas.

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

in the county of Washington, State of Texas, containing 47.6 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in direct to Lessor by Certified U.S. Mail at above address

at its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

TX 1671108 - 006

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

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

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

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

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

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

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

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

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

*Melvin Ziegenbein*  
MELVIN ZIEGENBEIN, JR.

SS# [REDACTED]



STATE OF TEXAS }  
COUNTY OF }

This instrument was acknowledged before me on the

2nd day of August

by

*Lori Howlett*

Notary Public, State of Texas  
Notary's name (printed): Lori Howlett  
Notary's commission expires: 11-8-97

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

This instrument was acknowledged before me on the

day of

, 19

by

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

This instrument was acknowledged before me on the

day of

, 19

by  
of  
a

corporation, on behalf of said corporation.

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

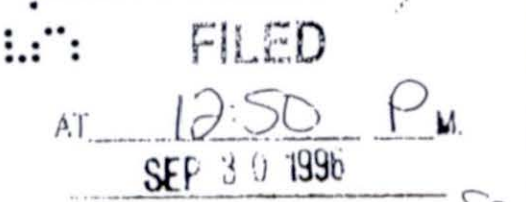
ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN PAID UP OIL AND GAS LEASE, DATED JULY 1, 1996, BY AND BETWEEN MELVIN ZIEGENBEIN, JR., AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

- 15. This lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.
- 16. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.
- 17. Wherever the fraction "one-eighth" (1/8) appears in Paragraph 3 hereof, it is hereby amended to read one-sixth (1/6).

SIGNED FOR IDENTIFICATION:

  
 MELVIN ZIEGENBEIN, JR.

  
 AT 12:50 P.M.  
 SEP 30 1996  
 Beth A. Rothermel SO  
 BETH ROTHERMEL  
 COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

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



OCT - 1 1996  
 Beth A. Rothermel  
 Beth Rothermel, County Clerk  
 Washington County, Texas

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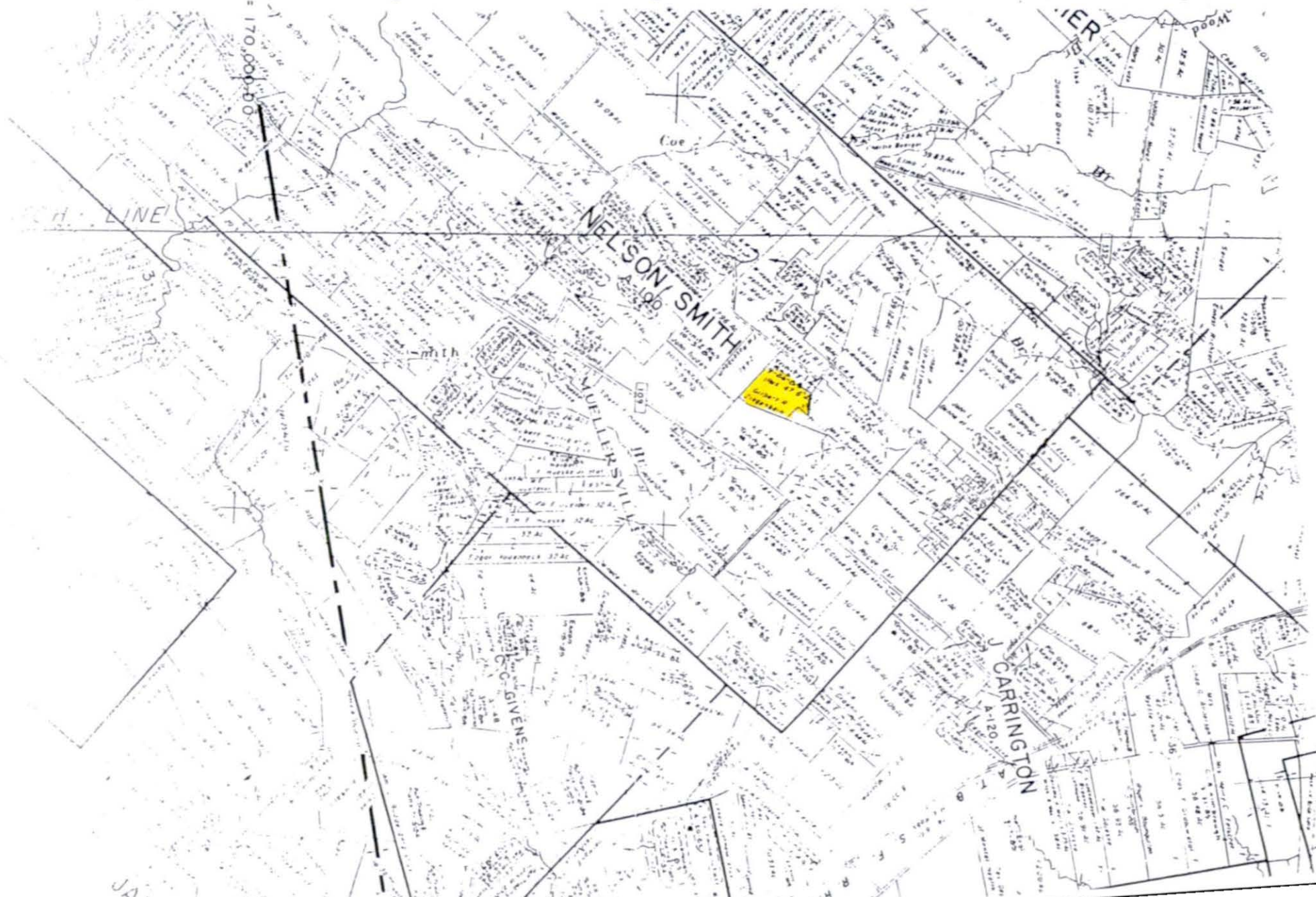
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JAME

# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 1st day of July, 19 96, between

5724

LONNIE ZIEGENBEIN

6729 Larkstone

Houston, Texas 77028

as Lessor (whether one or more),

and Chesapeake Operating, Inc., P.O. Box 18496, Oklahoma City, OK 73154-0496

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

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

47.6 acres of land, more or less, in the Nelson Smith Survey, A-100, Washington County, Texas and being the same land described in a Warranty Deed, dated November 26, 1954 from Lonnie Ziegenbein, et al, to Gilbert R. Ziegenbein and recorded in Volume 202, Page 192 of the Deed Records of Washington County, Texas.

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

in the county of Washington, State of Texas, containing 47.6 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in direct to Lessor by Certified U.S. Mail at above address

at \_\_\_\_\_ or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

TX 1671108-004

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

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

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

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

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

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

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

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

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Lonnie Ziegenbein*  
\_\_\_\_\_  
LONNIE ZIEGENBEIN

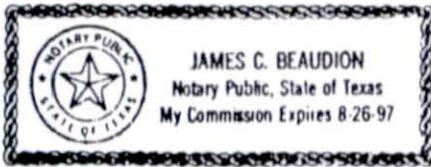
\_\_\_\_\_  
\_\_\_\_\_  
SS# \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF HARRIS }

This instrument was acknowledged before me on the 9 day of July, 1996,

by



*James Beaudion*  
\_\_\_\_\_  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF \_\_\_\_\_ }

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

by

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF \_\_\_\_\_ }

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

by

of

a

corporation, on behalf of said corporation.

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

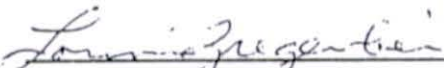
By \_\_\_\_\_  
Clerk (or Deputy)

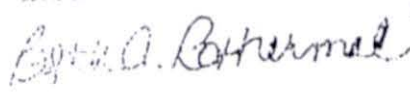
ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN PAID UP OIL AND GAS LEASE, DATED JULY 1, 1996, BY AND BETWEEN LONNIE ZIEGENBEIN, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

- 15. This lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.
- 16. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.
- 17. Wherever the fraction "one-eighth" (1/8) appears in Paragraph 3 hereof, it is hereby amended to read one-sixth (1/6).

SIGNED FOR IDENTIFICATION:

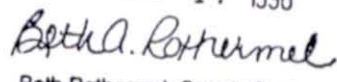
  
 \_\_\_\_\_  
 LONNIE ZIEGENBEIN

**FILED**  
 AT 3:30 P.M.  
SEP 16 1996 80  
  
 BETH A. ROTHERMEL  
 COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

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



SEP 17 1996  
  
 Beth Rothermel, County Clerk  
 Washington County, Texas



04 05 06 07 08

Scale: 170,000

LINE

NELSON SMITH

MULLERSVILLE

CARRINGTON

GIVENS



JAMES



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

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

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

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

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

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

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

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

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

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

*[Signature]* *[Signature]* *[Redacted]*

SHIRLEY BOWME SS#

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF EL PASO }  
This instrument was acknowledged before me on the

17<sup>th</sup> day of July  
*[Signature]*



Notary Public, State of Texas  
Notary's name (printed): B.C. AP  
Notary's commission expires: 6-30-00

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the

day of , 19

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the

by  
of  
a corporation, on behalf of said corporation.

day of , 19

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN PAID UP OIL AND GAS LEASE, DATED JULY 1, 1996, BY AND BETWEEN SHIRLEY BOWIE, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

- 15. This lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.
- 16. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.
- 17. Wherever the fraction "one-eighth" (1/8) appears in Paragraph 3 hereof, it is hereby amended to read one-sixth (1/6).

SIGNED FOR IDENTIFICATION:

*Shirley Bowie*  
 \_\_\_\_\_  
 SHIRLEY BOWIE

FILED  
 AT 12:30 P.M.  
 AUG 12 1996  
*Beth A. Rothermel*  
 BETH ROTHERMEL  
 COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

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

AUG 13 1996



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



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CARRINGTON



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## PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 15th day of January, 19 98, between  
GLORIA L. COLES  
10729 Beinhorn, Houston, Texas 77024

as Lessor (whether one or more),  
and Chesapeake Operating, Inc., P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

27.762 acres of land, more or less, being out of the Nelson Smith Survey, A-100 and being the same land as described in a Deed from J. D. Bassel, Trustee, et al to the Veterans' Land Board of the State of Texas dated May 18, 1965 and recorded in Volume 259, Page 474 of the Deed Records of Washington County, Texas.

in the county of Washington, State of Texas, containing 27.762 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in \_\_\_\_\_

at \_\_\_\_\_ or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

RL/167/2428

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

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

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

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

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

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

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

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

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 \_\_\_\_\_  
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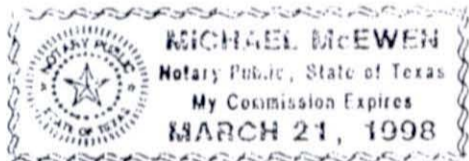
*Gloria L. Coles*  
 \_\_\_\_\_  
 GLORIA L. COLES

\_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF TEXAS,  
 COUNTY OF Harris

This instrument was acknowledged before me on the 22<sup>nd</sup> day of January, 19 98,  
 by Gloria L. Coles



*Michael McEwen*  
 \_\_\_\_\_  
 Notary Public, State of Texas  
 Notary's name (printed):  
 Notary's commission expires:

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_

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

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
 County of \_\_\_\_\_ } S.S.

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



By \_\_\_\_\_  
 \_\_\_\_\_  
 Clerk (or Deputy)

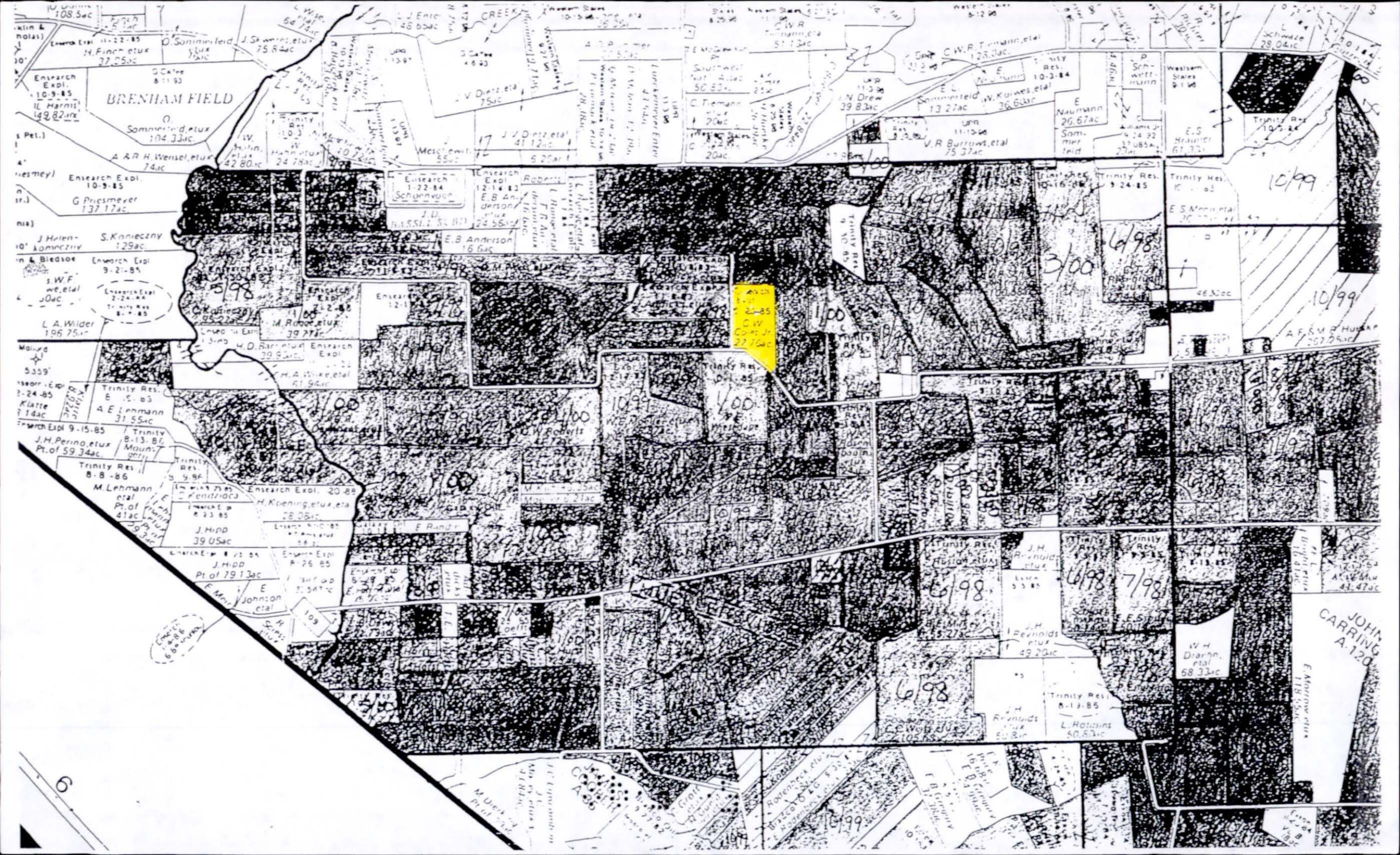
EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JANUARY 15, 1998, FROM GLORIA L COLES TO CHESAPEAKE OPERATING, INC..

12. It is expressly agreed and provided that this lease cannot be held, maintained, nor extended under and by virtue of the shut-in gas well provision of this lease for a longer term beyond the primary term than two (2) consecutive years immediately thereafter, or for shorter terms following the expiration of the primary term, at various intervals not to exceed in the aggregate two (2) years in all.
13. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, or reworking operations on such unit or units, or production of oil or gas from such units or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in such unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease shall terminated at the end of the primary term unless otherwise maintained in force and effect as provided for by the provisions of this lease.
14. Wherever the royalty interest "one-eighth (1/8)" appears in the printed form of this lease, the same is hereby deleted and the royalty interest "one sixth (1/6)" is hereby substituted therefor.
15. It is agreed and understood that no surface use is allowed of any kind or character on the above described leased property without the consent of the Lessor.

SIGNED FOR IDENTIFICATION:

  
\_\_\_\_\_  
GLORIA L. COLES  
SS 



BRENIAM FIELD

Ensearch Expt. 1-22-84  
Schonwagner  
J.D. NASSI et al. 54.87ac

12-1-85  
C.W. Roberts et al.  
22.72ac

JOHN CARRING  
A. 120  
E. Morrow et al.  
118.52ac

108.5ac  
Ensearch Expt. 10-9-85  
H. Harris et al.  
49.82ac

Ensearch Expt. 10-9-85  
H. Harris et al.  
49.82ac

Ensearch Expt. 10-9-85  
G. Priesmeyer  
137.17ac

Ensearch Expt. 1-24-86  
Trinity Res. 8-9-85

Ensearch Expt. 9-21-85  
J. H. Perino et al.  
Pt. of 59.34ac

Trinity Res. 8-13-86  
M. Lehmann et al.  
Pt. of 41ac

Ensearch Expt. 12-1-85

Ensearch Expt. 30-88

Ensearch Expt. 1-25-85

Ensearch Expt. 1-25-85

Ensearch Expt. 11-22-85  
O. Sommerfeld et al.  
104.33ac

Ensearch Expt. 11-22-85  
O. Sommerfeld et al.  
104.33ac

Ensearch Expt. 1-22-84  
Schonwagner

Ensearch Expt. 1-22-84  
Schonwagner

Ensearch Expt. 12-1-85

Ensearch Expt. 12-1-85

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Record & Return To:  
Chesapeake Operating, Inc.

P.O. Box 18496  
Oklahoma City, OK 73154

# PAID UP OIL AND GAS LEASE

01/21/95  
5614

THIS LEASE AGREEMENT is made as of the 9th day of January, 19 95, between  
Tom P. Collier and wife, Kay E. Collier

Whose address is: Rt. 3, Box 778, Brenham, TX 77833 as Lessor (whether one or more),  
and Chesapeake Operating, Inc., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

Being 55.27 acres of land, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas; and being more particularly described in that certain Deed dated October 10, 1991, from Otto Wiescpape, et al, to Tom P. Collier and wife, Kay E. Collier, recorded in Volume 658, Page 574, Deed Records of Washington County, Texas.

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

Shelby

in the county of Washington, State of Texas, containing 55.27 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in \_\_\_\_\_

Brenham National Bank

at 2211 S. Day, Brenham, TX 77833  
or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereupon be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 100 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

*Tom P. Collier*  
 Tom P. Collier  
*Kay E. Collier*  
 Kay E. Collier

[Redacted SS No. or Tax ID]

ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 22<sup>nd</sup> day of January, 1995, by Tom P. Collier and wife, Kay E. Collier.

22<sup>nd</sup> day of January, 1995

*Dan R. Bishop*  
 Notary Public, State of Texas  
 Notary's name (printed): DAN R. BISHOP  
 Notary's commission expires: JUNE 26, 1996



ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF

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

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
 County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED JANUARY 9, 1995, BY AND BETWEEN TOM P. COLLIER and wife, KAY E. COLLIER, AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

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

2. In the event Lessee desires to pool or unitize the herein leased premises with other land so as to form a pooled unit or units, Lessee agrees to include all of the herein leased premises in such pooled unit or units.

3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss.

4. Lessee agrees that without Lessor's prior written consent, it will conduct no surface operations on the surface of said land. It is further agreed and understood that Lessee shall have the right to drill and operate directional and/or horizontal wells through and under said land, irrespective of the bottom hole locations of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for the purposes associated with such directional and/or horizontal wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 300 feet.

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

SIGNED FOR IDENTIFICATION: Tom P. Collier

Tom P. Collier

Kay E. Collier  
Kay E. Collier

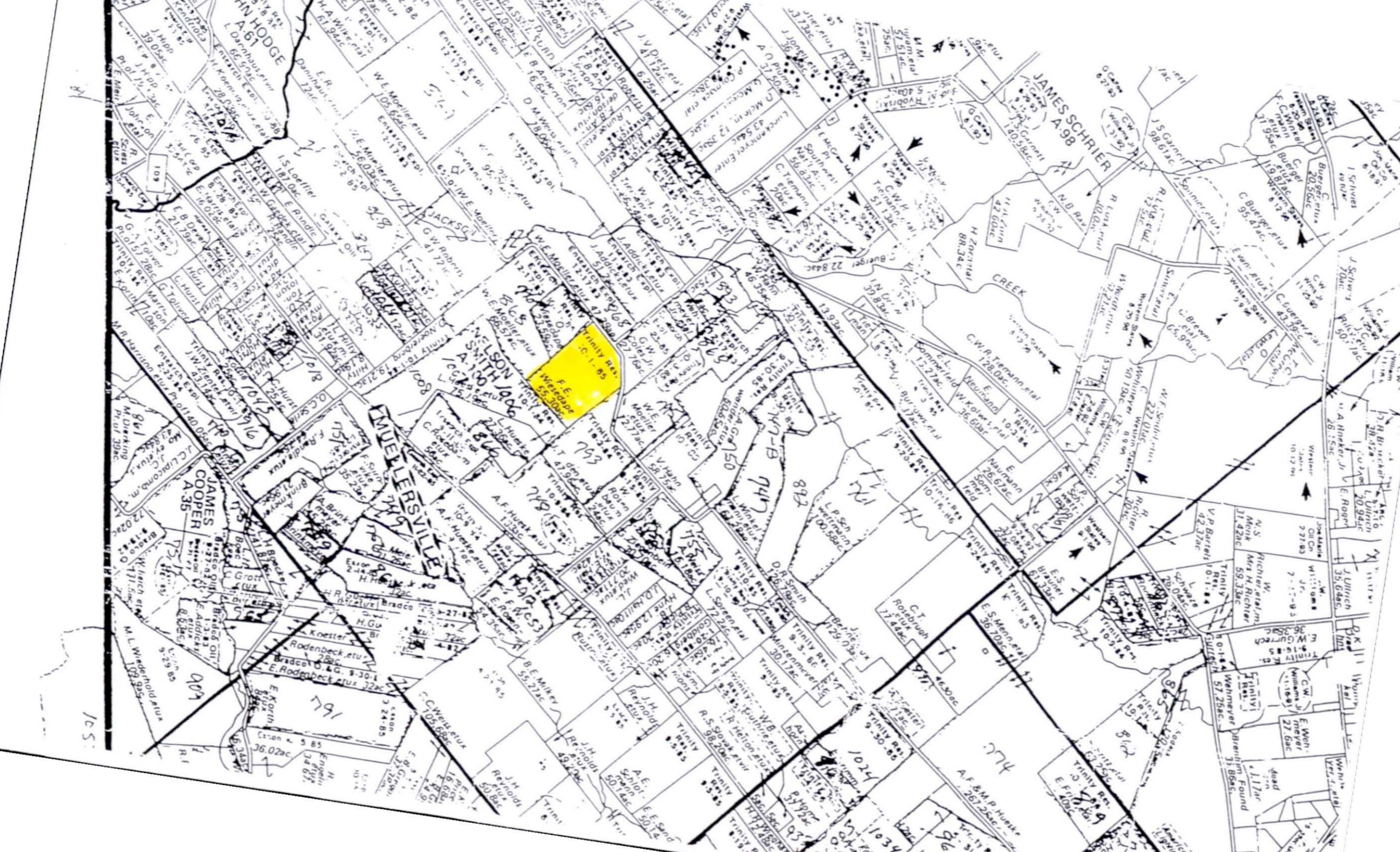
**FILED**  
AT 1:50 P.M.  
JUL 20 1995  
Beth A. Rothermel  
BETH ROTHERMEL  
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

I hereby certify that this Instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as shown hereon by me on JUL 21 1995



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



1/2 Sec. 10-1-85

JAMES SCHRIER A-98

W.E. Moeller et al

Trinity Res.

NELSON SMITH A-106

E.E. Westgate

JAMES COOPER A-35

MUELLERSVILLE

Creek

Trinity Res.

Trinity Res.

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760/555

# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 13th day of October, 1994, between Barbara J. Dietzmann

whose address is: 12615 Drumwood Cypress, Texas 77429 as Lessor (whether one or more),  
and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

67.28 acres, more or less, in the Nelson Smith Survey A-100, as described in Volume 526, Page 676, of the Deed Records in Washington County, Texas, dated 1-2-86.  
(AKA-R18817, Tr. #125, Of the Appraisal District Records)

Exhibit "A" attached and made a part hereof

in the county of Washington, State of Texas, containing 67.28 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Prime Bank

at Brenham, Texas 77833

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

*Barbara J. Dietzmann*  
 Barbara J. Winkelmann  
 Dietzmann

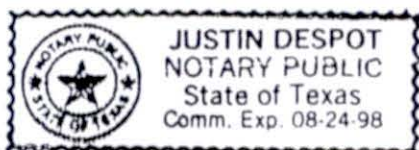
[Redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF } *Washington*

This instrument was acknowledged before me on the *13* day of *October*, 19 *94*.

by



*[Signature]*  
 Notary Public, State of Texas  
 Notary's name (printed):  
 Notary's commission expires:

ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF }

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

by

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF }

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

by  
 of  
 a

corporation, on behalf of said corporation.

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
 County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED  
10-13-94, BY AND BETWEEN Barbara J. Dietzmann  
 AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

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

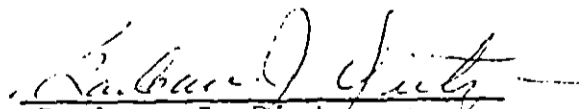
2. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or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

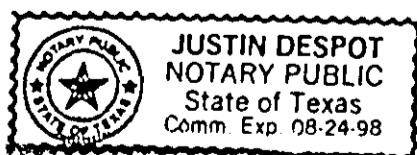
3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to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

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

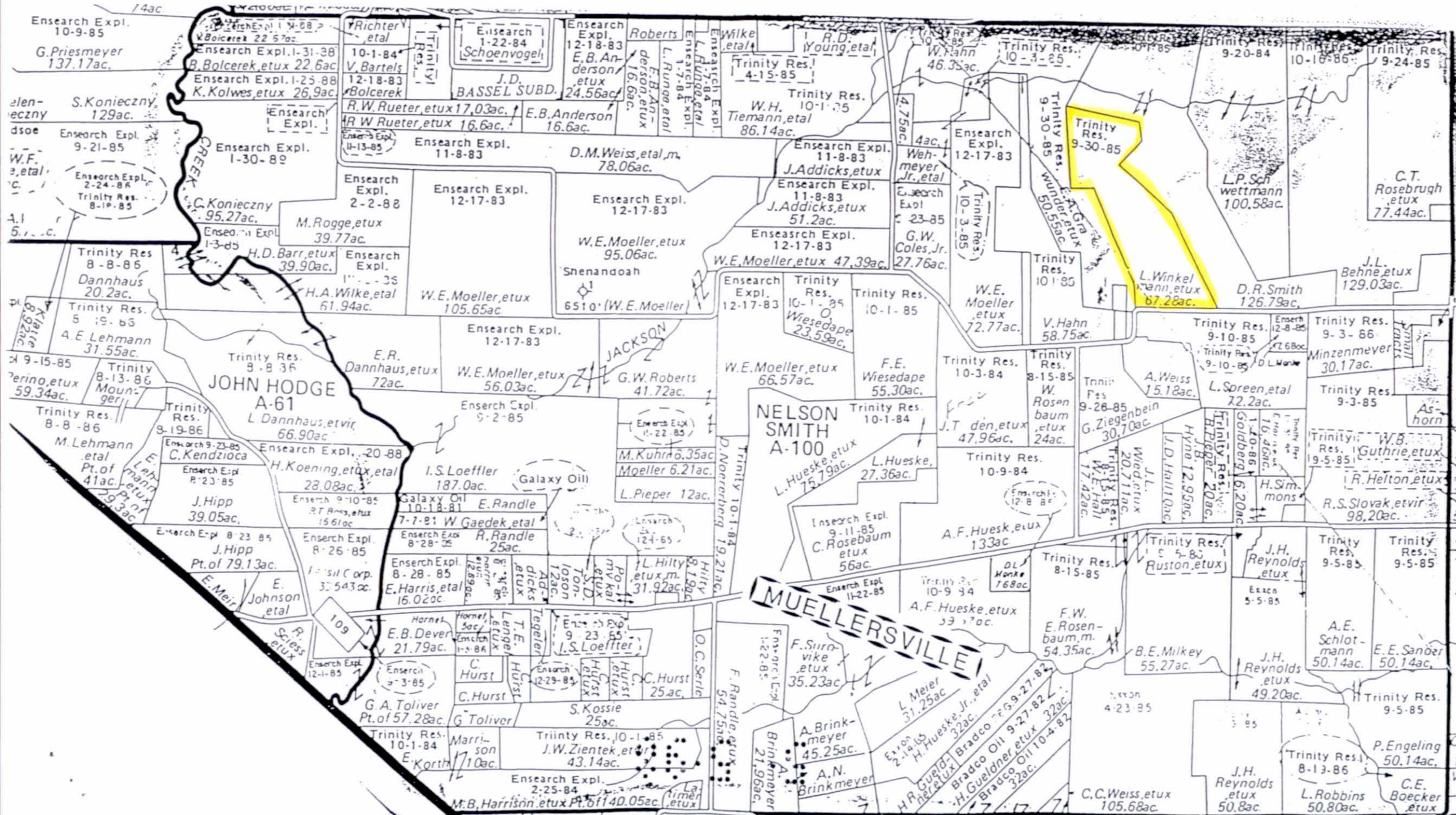
5. Should Lessee drill a water well for its supply of water pursuant to its operations hereunder, after Lessee's need for said well has ceased, Lessee shall, by written notice, offer said water well to Lessor. It is hereby agreed and understood that upon acceptance by Lessor, and delivery by Lessee of said water well, that the water well will be delivered in an "as is, and where is" condition. Upon Lessor's acceptance of said water well, Lessor agrees to indemnify and hold Lessee harmless against all claims arising from, but not limited to, any loss of materials, interruption, loss of life, injury, or breach of any environmental laws (whether local, state or federal) which exist at the time of Lessor's acceptance, or any time thereafter. If required by any governmental authority, Lessor shall properly plug said water well, according to all laws or regulations governing the plugging of said water well. All monetary expenses involving the repair, upkeep, maintenance or plugging of said water well, which arise on or after Lessor's acceptance hereof, shall be borne solely by Lessor.

Signed for Identification:

  
 Barbara J. Dietzmann



R 14817



11/10/21

# PAID UP OIL AND GAS LEASE

1066

THIS LEASE AGREEMENT is made as of the 13th day of October, 1994, between

Woodrow Free and wife, Joan Free

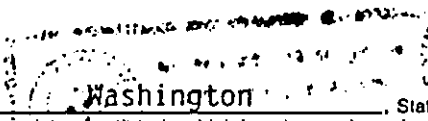
whose address is: 1902 Lauraine Brnham, Texas 77833 as Lessor (whether one or more),

and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

47.96 acres, more or less, in the Nelson Smith Survey A-100, and described in Volume 624, Page 590, of the Deed Records of Washington County, Texas, (AKA- R18794, Tract 102, on the Appraisal District Plat) a Gift Deed from Johnnie Tiaden, a widower to Joan E. Free, dated April 20, 1990.

Exhibit "A" attached and made a part hereof



In the county of Washington, State of Texas, containing 47.96 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in

Brenham National Bank

at 211 S. Day Brenham, Texas 77833  
or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Woodrow Free  
Woodrow Free  
Jean Free  
Jean Free

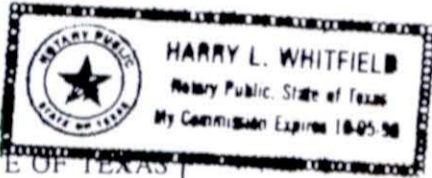
\_\_\_\_\_  
\_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF } Washington

This instrument was acknowledged before me on the 21<sup>st</sup> day of October, 1994, by Woodrow Free and Jean Free

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



ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.  
This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded  
Book \_\_\_\_\_, Page \_\_\_\_\_ of the \_\_\_\_\_ records of this office.  
By \_\_\_\_\_  
Clerk (or Deputy)

EXHIBIT "A"

Attached to and by reference made a part of that certain Oil, Gas and Mineral Lease dated October 13, 1994, by and between WOODROW FREE and wife, JOAN FREE, as Lessors, and CHESAPEAKE OPERATING, INC., as Lessee.

\*\*\*\*\*

SPECIAL PROVISIONS:

12. Whenever there is any inconsistency or contradiction between the printed terms of this lease and the typewritten provisions of this Exhibit "A", the terms of this Exhibit "A" shall prevail.

13. All royalties payable hereunder shall be based upon one-sixth (1/6) of production and wherever the fraction one-eighth (1/8) appears in Paragraph 3 of this lease form, the fraction one-sixth (1/6) is hereby substituted therefor.

14. This lease covers only oil and gas and for the purposes of this lease, references to "oil and gas" casinghead gas and by-products thereof, and such other hydrocarbon substances and sulphur as are produced with, incidental to, and as a part of its production of oil or gas; and all minerals of every kind and character found at any depth, except oil and gas, as herein defined, are expressly reserved to Lessor and Lessor's personal representatives, heirs and assigns.

15. Lessee shall pay for all damages to roads, fences, improvements, trees, livestock and growing crops caused by its operations hereunder, and will fill and level all pits and mounds, remove all board roads and board road materials, level and fill all ruts, and restore the surface of the ground to as near its original condition as is reasonably practical within a reasonable period of time after cessation of operations at each well location on the leased premises. Lessee shall construct and maintain fences surrounding such pits or excavations sufficient to turn livestock until such time as said pits or excavations are leveled. Also, it is expressly agreed and provided that if any salt water or other deleterious substances shall come from or in any manner be extracted or produced from the leased premises as a result of Lessee's hereunder, then Lessee shall not permit same to flow on or over Lessor's land, and the same will not be disposed or on Lessor's land. Lessee shall construct and maintain substantial gates and/or cattleguards, sufficient to turn livestock, at all points where Lessee cuts a fence of Lessor to gain access to the leased premises. Lessee will bury all pipelines constructed on the leased premises at least thirty-six (36) inches below the surface of the ground, or to a greater depth upon Lessor's reasonable written request. All gates, cattleguards, culverts and fences placed on the leased premises by Lessee shall become the property of Lessor and remain in place on the leased premises unless Lessor request their removal upon cessation of operations or termination of the lease.

16. Lessor's royalty oil shall bear no expense of treating to make it marketable as crude oil.

17. In the event of production of oil, gas or hydrocarbons from the leased premises, Lessee agrees to pay to the Lessor the royalty on such oil, gas or hydrocarbons sold within ninety (90) days after the date of the first sale.

18. It is expressly agreed and provided that this lease cannot be held, maintained nor extended under and by virtue of the shut-in gas well provision of this lease for a longer term beyond the primary terms than thirty-six (36) consecutive months immediately thereafter, or for shorter terms at various intervals not to exceed in the aggregate thirty-six (36) months in all.

19. Prior to conducting any operations on the herein leased premises, except for conducting operation at existing plugged and abandoned well sites, Lessee shall consult with and obtain Lessor's written consent, which consent shall not unreasonably be withheld, as to the location of any such operations including roads or drill sites.

20. Lessee shall set casing in all water wells drilled by Lessee on the leased premises with material that will be suitable for drinking water purposes. Lessee agrees after cessation of use of any water well drilled on the leased premises, and prior to plugging or removing the casing therefrom, to notify and

tender such water well and casing to Lessor. In the event Lessor shall elect to accept such water well, such election shall be within twenty-four (24) hours after notice from Lessee, said well shall thereupon become the property of Lessor, relieving Lessee of any further obligations and liability concerning said water well.

21. Lessee agrees to furnish Lessor with copies of all electric logs taken and a copy of each well log of each well drilled on the leased premises, and Lessee agrees to divulge to Lessor true and correct information as requested by Lessor as to such well which is readily available with respect to the sands and formations encountered in such well, upon Lessor's written request and after such information has been released by Lessee to the oil and gas industry.

22. Lessee agrees to indemnify and hold harmless Lessor and the heirs, successors and assigns of Lessor, from and against any and all claims, demands and causes of action and damages, arising out of, incidental to, or resulting from, the operations of or for Lessee hereunder, and from and against all costs and expenses incurred by Lessor and the heirs successors and assigns of Lessor, by reason of any such claims, including attorney's fees.

23. If Lessee shall have the title to the leased premises, or any part thereof, examined by an attorney, Lessee agrees to furnish Lessor with a copy of such attorney's title opinion promptly upon Lessor's written request and Lessor's payment to Lessee of one-half (1/2) of the cost of such attorney's title opinion.

24. The terms "operations" as used in the printed portion of this Lease shall only be those operations which are the actual drilling of a well or reworking operations as defined herein.

25. The actual drilling of a well, as such words "actual drilling" are used in this Lease, shall be considered to be commenced when there shall have been erected on the leased premises or on lands pooled therewith, at the location for  
...such well, a derrick, a rig and machinery capable of drilling to a depth  
...sufficient to test a prospective oil or gas horizon on the leased premises or on  
...lands pooled therewith, and when such well shall be "spudded-in" and rotating  
...under power; and whenever the provisions of this lease refer to "commence" or  
..."commencement" of a well, it is intended to mean the commencement of the actual  
...drilling of such well. "Reworking operations" as that term is used in this  
...Lease, shall mean actual work on the location, in a good and workman-like  
...manner, and prosecuted with reasonable diligence. The completion date of a well  
...which results in commercial production shall be that day upon which Lessee files  
...files for record appropriate required completion forms with the Railroad  
...Commission of Texas. The completion date of a well which results in a dry hole  
...and is abandoned shall be the date upon which Lessee files for record the  
...appropriate forms with the Railroad Commission of Texas.

26. Each well drilled under the provisions of this paragraph after production is discovered on the leased premises shall be drilled with reasonable diligence and in a good and workman-like manner in a bona fide attempt to produce oil or gas therefrom.

27. Lessee shall, during or within six months after the expiration of this Lease, plug and abandon according to the rules and regulations of the State of Texas Railroad Commission, or other governmental authority, all wells drilled by Lessee during the time this lease is in force and effect on the land covered hereby. Lessee agrees to cut off the casing of each well so plugged and abandoned at least three feet below the surface of the ground and to level the surface of the ground to Lessor's satisfaction to as near its present condition as possible.

28. Lessee shall have no right to hunt or fish on the property and Lessor shall have the right to eject anyone from the premises carrying fishing equipment or weapons. Lessee shall confine its activities to the designated routes of ingress and egress and no others and Lessor shall have the right to eject anyone from the who violates these provisions. If Lessee obtains production of oil or gas on the leased premises, Lessee shall maintain its equipment in good condition and shall keep all of its equipment painted. Lessee shall not allow oil or any substances to leak onto the ground of Lessor and shall fence all operations to turn livestock.

29. Lessee shall have the right but not the obligation to pool all or any part

of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for: (a) an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of 10%, (b) an oil well which is a horizontal completion shall not exceed three hundred twenty (320) acres plus a maximum acreage tolerance of 10%, and (c) a gas well shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or a gas well, whether or not horizontally completed, to be formed for an oil well or a gas well, whether or not horizontally completed, to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of this paragraph 14, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with a gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with a gas-oil ration of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling, or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the surface acreage covered by this lease and included in the unit bears to the total gross acreage in the unit. As to any well drilled and completed by means of a horizontal completion which is not currently contained within a designated unit, Lessee shall have thirty (30) days from initial completion in which to file of record a written designation of unit. If this unit is filed within that period of time, then the Lessee shall be authorized to calculate and pay all royalties on a unit basis from the date drilling commenced on the well. 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 obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or to prudently develop and operate the leased premises or protect correlative rights. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of the revision. To the extent any portion of the leased premises is included or excluded from the unit by virtue of such revision, the proportion of the unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly as of the effective date of the revision. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. 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 in the paragraph, 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.

30. If a pooled unit is formed where the unit is situated entirely upon the herein leased premises, then all of the leased premises shall be pooled. If the unit well is entirely located on lands other than the leased premises, then if any of the leased premises are pooled as to such well, then not less than one-half of the leased premises shall be pooled.

31. In the event a portion of the herein leased premises is pooled or unitized with other land so as to form a pooled unit or units, operations on or production from such unit or units will maintain this lease in force only as to

the land included in such unit or units. This lease may be maintained in force as to any of the land covered hereby and not included in such unit or units in any manner provided herein, including proportionate delay rental payments computed in the proportion that the leased area outside of the unit or units bears to the total acreage contained in this lease. If at or after the end of the primary term, or any extension thereof, this lease is being maintained as to a part of the lands by operations on or production from a pooled unit or units embracing lands covered hereby and other land and if at such time there be land covered hereby which is not situated in such unit or units and as to which the lease is not being maintained by operations or production, Lessee shall have the right to maintain the lease as to such land by delay rental payments exactly as if it were during the primary term, provided that the lease may not be so maintained in force by rental payments for a period in excess of two (2) years beyond the end of the primary term.

33. This lease may be executed in any number of counterparts, all of which, when taken together, shall constitute one original instrument. For recording purposes Lessee may combine the pages containing Lessor's signatures and acknowledgements with the body and text of one counterpart hereof, or Lessee may record this lease by memorandum.

SIGNED FOR IDENTIFICATION: Woodrow Free  
WOODROW FREE

Joan Free  
JOAN FREE

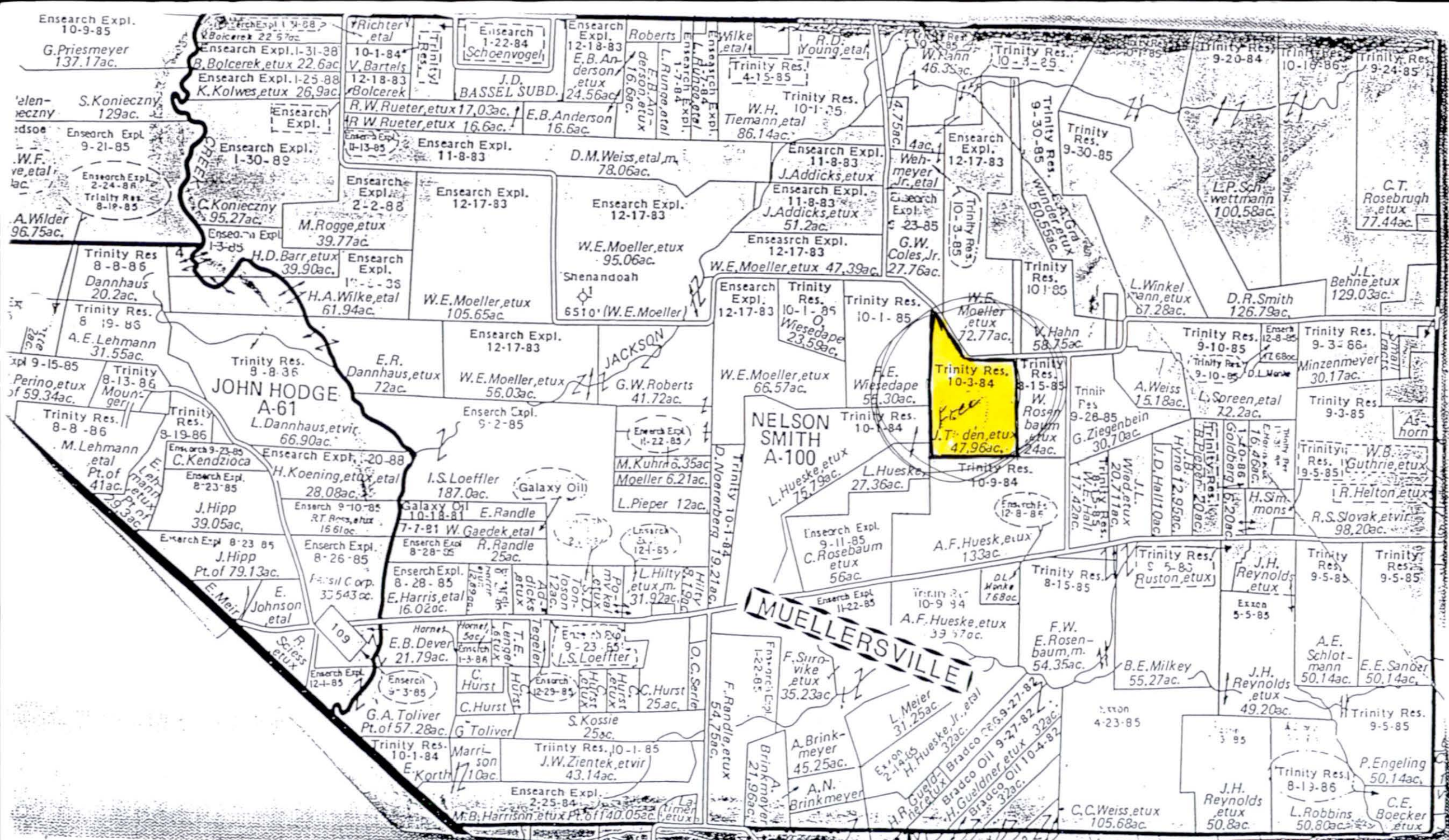
FILED  
AT 12:00 P.M.  
FEB - 6 1995  
Beth A. Rothermel  
BETH ROTHERMEL  
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on FEB 07 1995



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



836/711  
5726

# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 1st day of July, 19 96, between

CHARLYNN GOODRUM  
12626 Claybury Court  
Houston, Texas 77070

as Lessor (whether one or more),

and Chesapeake Operating, Inc., P.O. Box 18496, Oklahoma City, OK 73154-0496  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

47.6 acres of land, more or less, in the Nelson Smith Survey, A-100, Washington County, Texas and being the same land described in a Warranty Deed, dated November 26, 1954 from Lonnie Ziegenbein, et al, to Gilbert R. Ziegenbein and recorded in Volume 202, Page 192 of the Deed Records of Washington County, Texas.

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

in the county of Washington, State of Texas, containing 47.6 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in direct to Lessor by Certified U.S. Mail at above address

at \_\_\_\_\_ or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

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

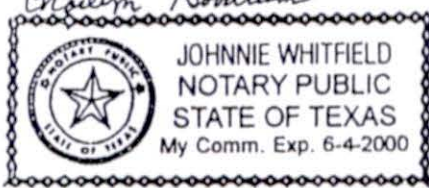
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove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

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

WITNESSES AND/OR ATTESTATIONS: LESSOR (WHETHER ONE OR MORE) SS NO. OR TAX ID  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Charlynn Goodrum*  
CHARLYNN GOODRUM  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
SS#

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the 6 day of August, 1996,  
by *Charlynn Goodrum*  
*Johnnie Whitfield*  
Notary Public, State of Texas  
Notary's name (printed): Johnnie Whitfield  
Notary's commission expires: 6-24-2000  
ACKNOWLEDGEMENT



STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
by \_\_\_\_\_  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
by \_\_\_\_\_  
of \_\_\_\_\_  
a \_\_\_\_\_ corporation, on behalf of said corporation.  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

RECORDING INFORMATION

STATE OF \_\_\_\_\_ } S.S.  
County of \_\_\_\_\_ }  
This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded  
in Book \_\_\_\_\_, Page \_\_\_\_\_, of the \_\_\_\_\_ records of this office.  
By \_\_\_\_\_  
Clerk (or Deputy)

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN PAID UP OIL AND GAS LEASE, DATED JULY 1, 1996, BY AND BETWEEN CHARLYNN GOODRUM, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

- 15. This lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.
- 16. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.
- 17. Wherever the fraction "one-eighth" (1/8) appears in Paragraph 3 hereof, it is hereby amended to read one-sixth (1/6).

SIGNED FOR IDENTIFICATION:

*Charlynn Goodrum*  
 \_\_\_\_\_  
 CHARLYNN GOODRUM

FILED  
 AT 3:30 P.M.  
 SEP 16 1996  
*Beth A. Rothermel*  
 BETH ROTHERMEL  
 COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on SEP 17 1996



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



04' 05' 06' 07' 08'

-Y= 170 000.00

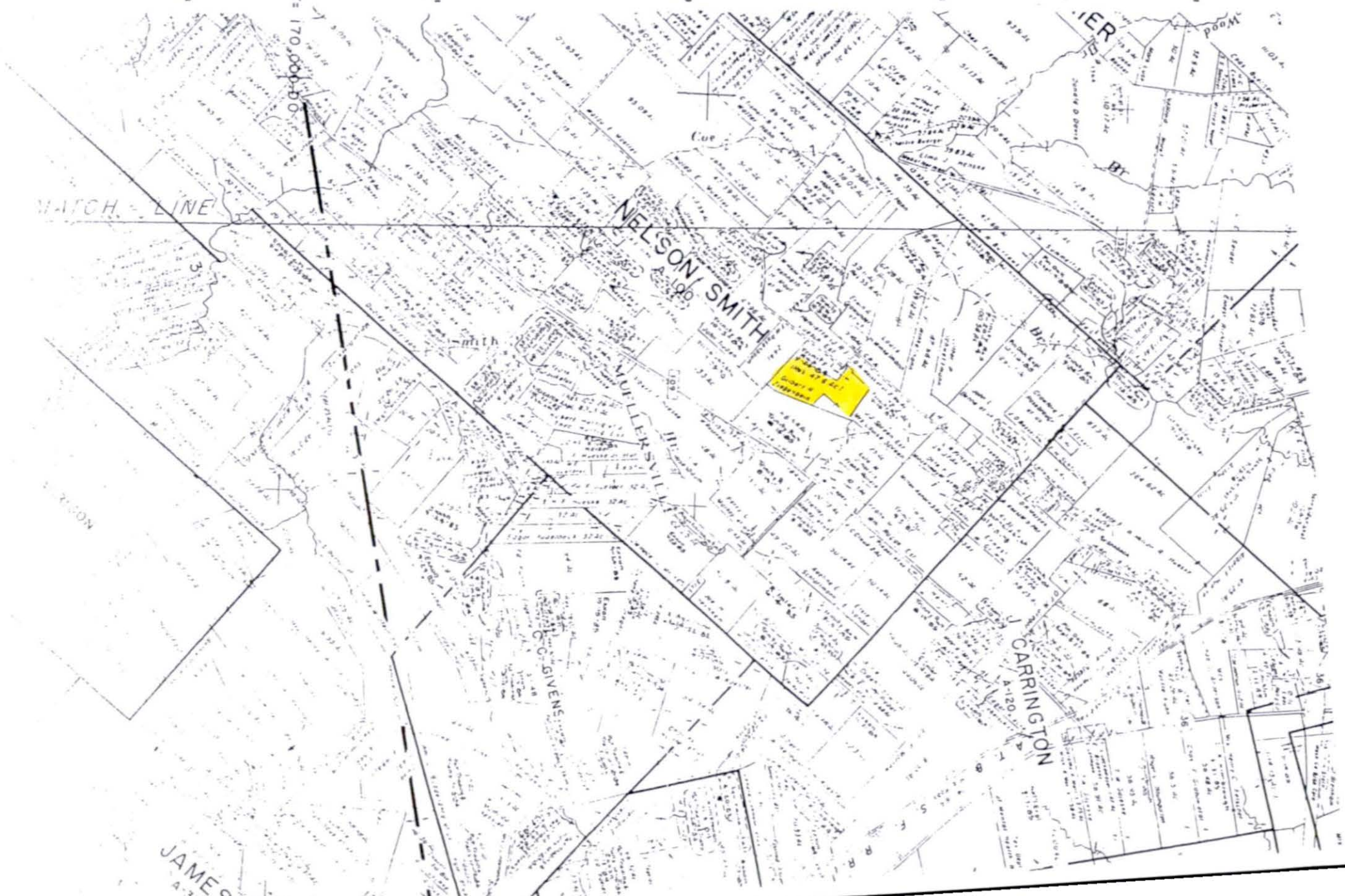
MATCH LINE

NELSON SMITH

MULLERSVILLE

CARRINGTON

JAMES



18  
RECORD & RETURN TO  
CHESAPEAKE OPERATING, INC.  
P.O. BOX 18498  
OKLAHOMA CITY, OK 73134

# PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 21 day of October, 19 94, between BILLY RAY GRIMM and JOY DELL GRIMM

whose address is: Rt. 3, Box 780, Brenham, TX 77833 as Lessor (whether one or more),  
and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

4.083 acres of land, more or less, located in the NELSON SMITH SURVEY, A-100, and being the same land described in Volume 335, Page 971, Deed Records of Washington County, Texas, a Deed from Walter Hahn and wife, Selma Hahn to Billy Ray Grimm and wife, Joy Dell Grimm dated May 7, 1975.

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

**RECORDER'S MEMORANDUM**  
ALL OR PART OF THE TEXT ON THIS PAGE  
WAS BLURRED, DELETED, CUT OFF OR NOT  
LEGIBLE FOR SATISFACTORY RECORDATION.

in the county of Washington, State of Texas, containing 4.083 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Prime Bank

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

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

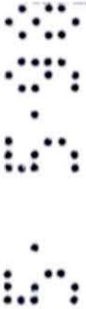
12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein,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

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

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

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

WITNESSES AND/OR ATTESTATIONS: \_\_\_\_\_  
LESSOR (WHETHER ONE OR MORE) \_\_\_\_\_  
SS NO. OR TAX ID \_\_\_\_\_  
*Billy Ray Grimm*  
BILLY RAY GRIMM  
*Joy Dell Grimm*  
JOY DELL GRIMM  
\_\_\_\_\_



STATE OF TEXAS }  
COUNTY OF } Washington

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 1994, by BILLY RAY GRIMM and JOY DELL GRIMM

21 day of October, 1994

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

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

RECORDING INFORMATION

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

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED  
October 21, 1994, BY AND BETWEEN BILLY RAY GRIMM and  
JOY DELL GRIMM  
AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

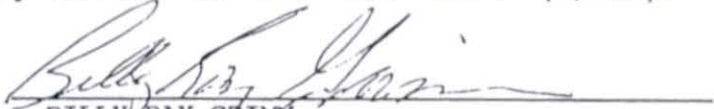
1. This Lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous, or vaporous forms or states which can or may be produced through the bore of a well with and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

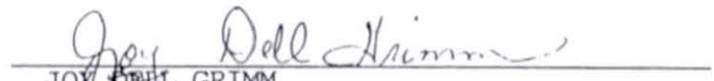
2. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or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

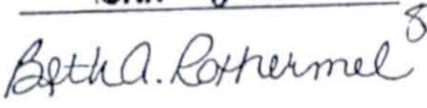
3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to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

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

SIGNED FOR IDENTIFICATION:

  
BILLY RAY GRIMM

  
JOY DELL GRIMM

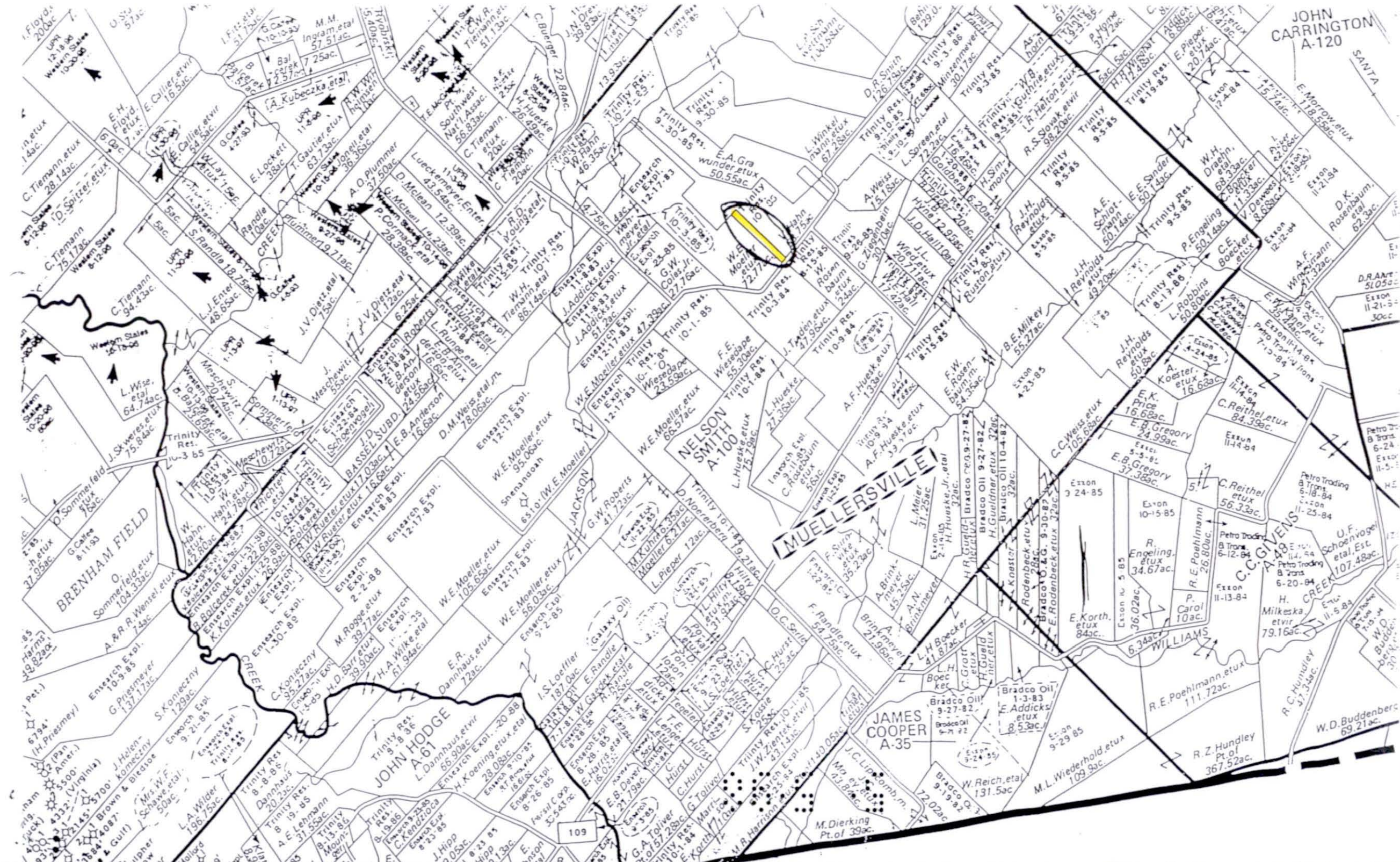
**FILED**  
AT 1:50 P.M.  
JAN - 3 1995  
  
BETH ROTHERMEL  
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS  
COUNTY OF WASHINGTON

I hereby certify that this Instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on JAN 04 1995



  
Beth Rothermel, County Clerk  
Washington County, Texas



JOHN CARRINGTON  
A-120

SANTA



MUELLERSVILLE

NELSON SMITH  
A-100

JAMES COOPER  
A-35

JOHN HODGE  
A-61

BRENNHAM FIELD

109

W.D. Buddenberg  
69.21ac.

R.Z. Hundley  
Pt. of  
367.52ac.

M.L. Wiederhold et ux  
109.9ac.

W. Reich et al  
131.5ac.

J.C. Lipcomb et ux  
43.81ac.

M. Dierking  
Pt. of 39ac.

V.R. Harrison et ux  
11.10.05ac.

G.A. Toliver et ux  
Pt. of 57.28ac.

E. B. Dyer et ux  
21.79ac.

C. Hurst et ux  
10.1-84

H. Koening et ux  
28.08ac.

L.A. Wilder et ux  
196.75ac.

Mrs. W.F. Schaw et ux  
50ac.

J. Halen et ux  
5500 (Virginia)

W. Reich et al  
131.5ac.

C.C. Givens

R. Engeling et ux  
34.67ac.

E.K. Price et ux  
16.68ac.

E.B. Gregory et ux  
24.99ac.

E.B. Gregory et ux  
37.38ac.

C.C. Weiss et ux  
105.68ac.

C. Reithel et ux  
56.33ac.

C. Reithel et ux  
84.39ac.

C. Reithel et ux  
84.39ac.

C. Reithel et ux  
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C. Reithel et ux  
84.39ac.

C. Reithel et ux  
84.39ac.

Produced Pursuant to (4-89) - Paid Up  
With 640 Acres Pooling Provision

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

781/221

## PAID UP OIL AND GAS LEASE

014182

3458

THIS LEASE AGREEMENT is made as of the 18th day of January, 1995, between  
Elda Hahn, a widow, a/k/a Elda A. Hahn

Whose Address is: 705 West 5th St., Brenham, TX 77833 as Lessor (whether one or more),  
and Chesapeake Operating, Inc., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces)  
were prepared jointly by Lessor and Lessee.

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

Being 45.53 acres of land, more or less, located in the Nelson Smith  
Survey, A-100, in Washington County, Texas; and being more particularly  
described in Exhibit "A" attached hereto, and by reference, made a part  
hereof.

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

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

Shelby

in the county of Washington, State of Texas, containing 45.53 gross acres, more  
or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing  
and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium,  
carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any  
small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the  
aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the  
land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether  
actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in \_\_\_\_\_

at Prime Bank  
Brenham, TX 77833

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be  
made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to  
the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution,  
or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution  
as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all  
depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or  
proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests.  
The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas  
well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas  
well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction  
to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority,  
or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial  
gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator  
facilities or equivalent testing equipment, and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in  
the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and  
stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated  
as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion  
of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such  
proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring  
right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform  
to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination  
made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date  
of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which  
royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof,  
Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-  
conveyance of interests.

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

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

*Elda Hahn*

Elda Hahn, a widow,  
Elda A. Hahn



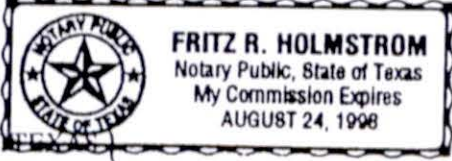
ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF WASHINGTON }  
This instrument was acknowledged before me on the  
by Elda Hahn, a widow,  
Elda A. Hahn.

2<sup>nd</sup> day of March, 19 95

*Jeff R. Holmstrom*

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



ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the  
day of  
by

day of , 19

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
COUNTY OF }  
This instrument was acknowledged before me on the  
day of  
by  
of  
a  
corporation, on behalf of said corporation.

day of , 19

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

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

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED January 18, 1995, BY AND BETWEEN Elda Hahn, a widow, a/k/a Elda A. Hahn AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

Being 45.53 acres of land, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas; and being more particularly described as being a part of a 62.75 acre tract of land described in that certain Deed dated February 15, 1972, from Henrietta Loesch to Vernon Hahn, recorded in Volume 309, Page 903, in the Deed Records of Washington County, Texas; and being all of said 62.75 acre tract of land LESS AND EXCEPT three tracts of land more particularly described as follows:

13.22 acres of land, more or less, described in a Deed dated December 17, 1986 from Vernon Hahn and wife, Elda Hahn to Lower Colorado River Authority, recorded in Volume 551, Page 645, Deed Records of Washington County, Texas.

2.0 acres of land, more or less, described in a Deed dated September 17, 1977, from Vernon Hahn and wife, Elda A. Hahn to Charles Edward Boggan and wife, Diane Boggan, recorded in Volume 357, Page 805, Deed Records of Washington County, Texas.

2.0 acres of land, more or less, described in a Deed dated October 10, 1975, from Vernon Hahn and wife, Elda Hahn to George R. DeLoach and wife, Alice Mattie DeLoach, recorded in Volume 339, Page 879, Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION: Elda Hahn  
 Elda Hahn, a widow, a/k/a Elda A. Hahn



EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS & MINERAL LEASE, DATED JANUARY <sup>8, H.</sup> ~~15~~<sup>18</sup>, 1995, BY AND BETWEEN ELDA HAHN, A WIDOW, A/K/A ELDA A. HAHN, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

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

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

17. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then not less than fifty per cent (50%) of all of the leased premises will be included in such pool or unit.

18. Notwithstanding anything herein to the contrary, Lessee shall not maintain this lease solely by the payment of shut-in royalties for more than two (2) consecutive years. Shut-in privileges are cumulative and may be exercised from time to time, but limited to a maximum of three (3) years cumulative time. This paragraph in no way limits Lessee from maintaining this lease in force and effect by any other provisions or terms of this lease. The payment by Lessee to Lessor of such rentals shall in no manner relieve Lessee from the obligation of payment of all royalties as shall become due upon subsequent production of a well which has been shut-in under the terms of this lease; and in no event shall Lessee be entitled to credit against such royalties due Lessor such rental sums paid by Lessee to Lessor under the terms and provisions hereof.

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

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

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

22. Lessee shall pay for all damages caused by its operations hereunder to houses, building, fences, wells, roads, gates, cattle guards, terraces, culverts, bridges, and other improvements, cattle and other livestock, growing crops, trees and grasses within ninety (90) days from the date damages are sustained by Lessor. Within three (3) months after the termination of operations on the particular area requiring restoration, the Lessee shall fill in and cover up all slush pits and other excavations made in the course of its operations hereunder and shall clean up the drillsite and restore the surface to as near the original condition (prior to operations) as is practicable. Lessor shall not be responsible for violation of the Environmental Protection Act. Any violation by Lessee or Lessee's subcontractor are the responsibility of Lessee.

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

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

25. Prior to conducting any operations on the leased premises, Lessee shall first consult with Lessor and outline the operations that Lessee proposes to conduct. Locations for roads, pipelines, equipment and facilities placed on the leased premises should be in consultation with Lessor and be placed on the land in such a manner as to cause a minimum amount of interference with the normal use of the land and any lease roads built by Lessee and existing roads used for Lessee's operations shall be surfaced with gravel and have culverts where necessary so as not to interfere with the natural drainage of the land. All such roads and cattleguards shall not be removed after Lessee's operations are complete unless requested by Lessor, but shall become the property of Lessor. Absolutely no operations shall be conducted, and no road, pipeline, equipment, building or tank battery shall be located within 300 feet of any existing house, barn, or other major improvement, but not including ponds, fences, and sheds, located upon the leased premises without Lessor's prior written consent.

26. Lessee shall not permanently house any of its employees, agents or representatives on the property of Lessor at any time. The leased premises shall at no time be utilized as a place for storage or stockpiling of oil field equipment and supplies, including but not limited to drill stem and casing, except to the extent such supplies are temporarily necessary to such drilling, reworking or normal and regular operations being conducted on the leased premises. Lessee shall not erect gas or liquid processing plants, refineries, tank farms, shops, warehouses, storage yards, loading terminals, power stations or offices upon the leased premises. Lessee shall not establish and utilize facilities for surface or subsurface storage or disposal of saltwater nor shall

said premises be utilized for disposal of noxious, poisonous or hazardous substances, drilling mud, chemicals, refuse or debris. Lessee shall have the right to temporarily store salt water retained as a result of normal production operations on the premises provided the same be maintained in a manner which will not damage the surface of the property. At no time shall subsurface storage of salt water be permitted. Lessee's right to lay pipelines shall be limited to such lines as are necessary to transport oil and gas from wells located upon the leased premises or upon property with which Lessor's land has been pooled to form a pool or unit for the purpose of production to the nearest pipeline to which said oil and gas is to be delivered. Lessee shall have no right to lay pipelines across Lessor's property to carry production from any well or wells which are not located upon the leased premises or which are not located within a pool or unit including a portion of the leased premises as aforesaid. Lessee agrees to bury all pipelines at a depth not less than 36 inches below the surface of the ground and shall locate all pipelines as near to the boundary of said lands as reasonably possible and shall consult with Lessor prior to the laying of any such pipelines regarding the proposed locations of such pipelines.

27. The operations of the Lessee shall be conducted in such manner that Lessee shall prevent the contamination of any and all soil, and of any and all surface and subsurface waters in, under or on said leased premises, whether in surface tanks or any other type of storage, in creek beds, in river beds, and any and all surface and subsurface water bearing strata or formations by virtue of Lessee's drilling, development and production operations. Lessor shall not be responsible for any violations of the Environmental Protection Act or any other governmental rules, regulations, ordinances and statutes as may pertain to the surface and/or subsurface storage or disposal of environmental or hazardous waste of any kind or character. LESSEE, ITS SUCCESSORS AND ASSIGNS, AGREE TO INDEMNIFY AND HOLD LESSOR AND LESSOR'S HEIRS AND ASSIGNS HARMLESS FROM ANY AND ALL CLAIMS ARISING OUT OF OR INCIDENT TO LESSEE'S, ITS SUCCESSORS OR ASSIGNS, EXPLORATION AND DEVELOPMENT OPERATIONS, INCLUDING WITHOUT LIMITATION LIABILITY AND DAMAGES FOR SOIL AND/OR WATER CONTAMINATION OR OTHER ENVIRONMENTAL HAZARDS. LESSEE SHALL BE RESPONSIBLE FOR ANY VIOLATION BY LESSEE OR LESSEE'S SUBCONTRACTORS, AGENTS, REPRESENTATIVES OR EMPLOYEES OF ANY GOVERNMENTAL RULE, REGULATION, ORDINANCE OR STATUTE; AND SHALL INDEMNIFY AND HOLD LESSOR HARMLESS FROM ALL LIABILITY ARISING THEREFROM.

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

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

30. It is agreed and understood by and between Lessor and Lessee herein that in calculation of Lessor's royalty, in no event shall the price of oil, gas or other minerals utilized for calculation of Lessor's royalty be less than the price actually received by Lessee upon the sale of any product produced from the unit which includes all or any part of the leased premises. Lessor's royalty shall at no time bear or be reduced by expenses incurred by Lessee for ad valorem taxes assessed against Lessee's interest in said oil, gas, and other minerals. Lessee shall act as a fiduciary of Lessor and in utmost good faith in the marketing and sale of said minerals.

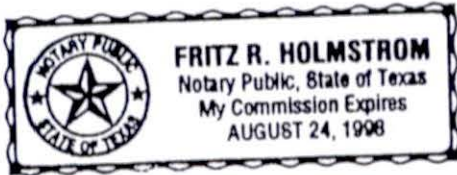
31. Lessor warrants title to the leased premises; provided, however, that the limit of Lessor's liability shall be the proportionate share of the bonus money paid for Lessor's title which fails.

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.

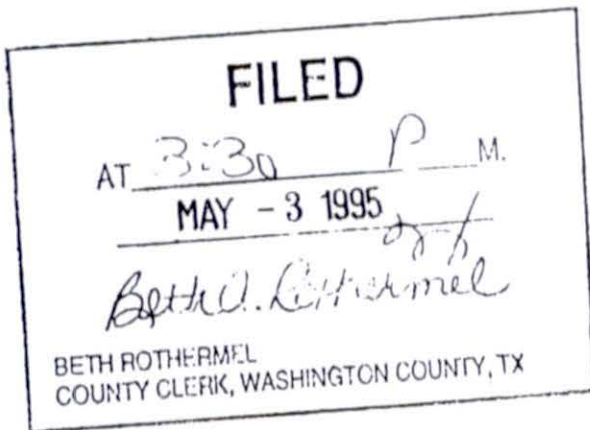
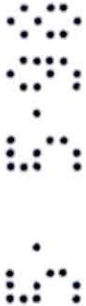
Elda Hahn  
ELDA HAHN

THE STATE OF TEXAS           §  
  §  
COUNTY OF WASHINGTON       §

This instrument was acknowledged before me on this the 2<sup>nd</sup> day of March, 1995, by ELDA HAHN.



Fritz R. Holmstrom  
NOTARY PUBLIC, STATE OF TEXAS



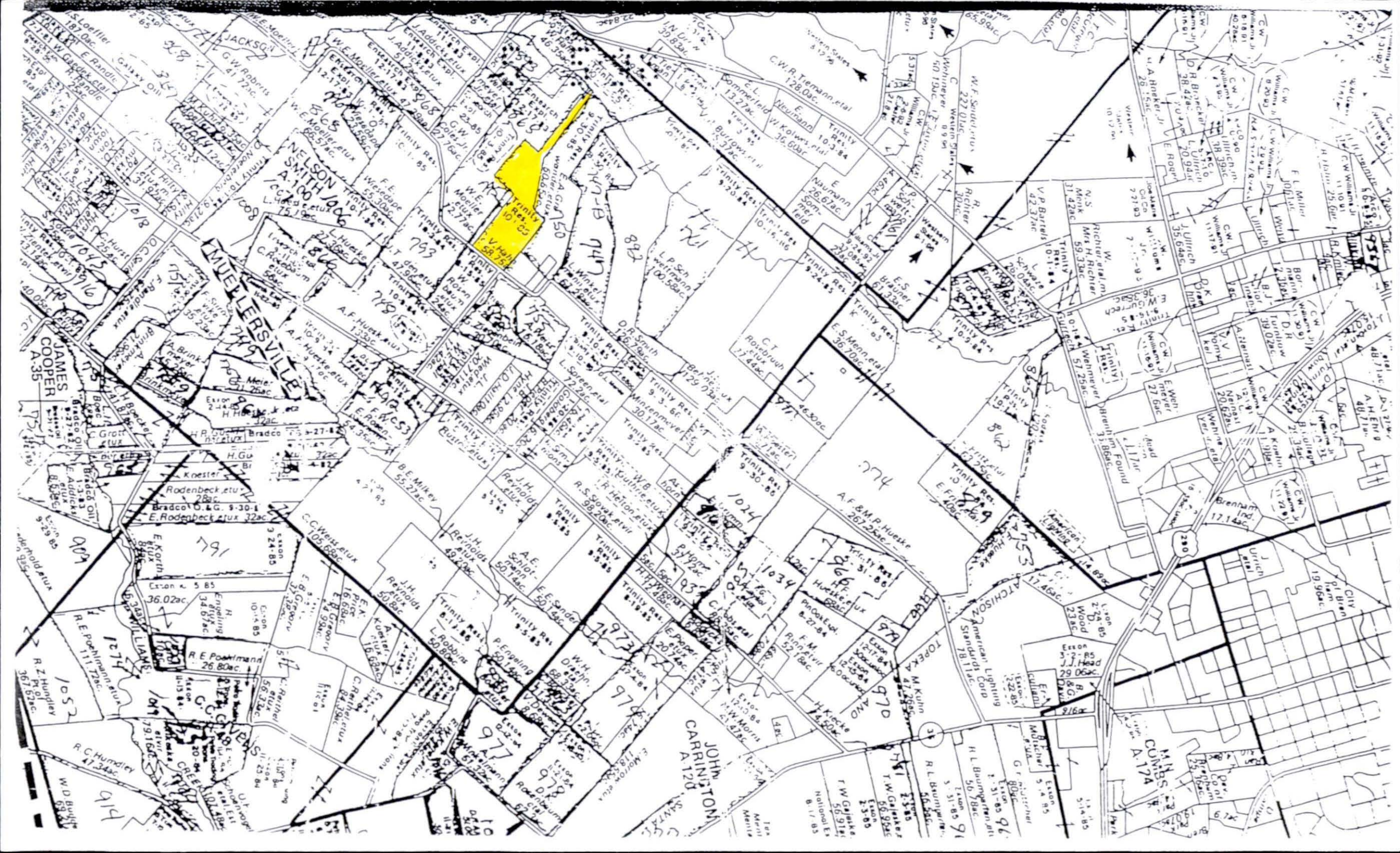
STATE OF TEXAS  
COUNTY OF WASHINGTON

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

MAY 04 1995



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



Record & Return To:  
Chesapeake Operating, Inc.  
P.O. Box 18496  
**PAID UP OIL AND GAS LEASE**

7178

This lease agreement is made as of the 15th day of June, 1995, between  
Berry Lee Malkey and wife, Paulette Malkey

Whose address is: Rt. 1, Box 409, Brenham, TX 77833 as Lessor (whether one or more),  
and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118  
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces)  
were prepared jointly by Lessor and Lessee.

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

Being 22.52 acres of land, more or less, located in the Nelson Smith Survey,  
A-100 in Washington County, Texas; and being more particularly described in  
a Deed dated January 17, 1995 from Norma Rosenbaum to Berry Lee Malkey and  
wife, Paulette Malkey, recorded in Volume 764, Page 294, Deed Records of  
Washington County, Texas.

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

Addendum BLM.

P.M.

Shelby

in the county of Washington, State of Texas, containing 22.52 gross acres, more  
or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing  
and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium,  
carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any  
small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the  
aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the  
land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether  
actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in ~~Channelview Bank~~ Prime Bank P.M.  
Washington County BLM

at P.O. Box 2608 Brenham, Texas 77834-2608  
or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be  
made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to  
the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution,  
or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution  
as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all  
depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or  
proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests.  
The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas  
well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas  
well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to  
do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority,  
or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial  
gas oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator  
facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in  
the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and  
stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated  
as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion  
of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such  
proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring  
right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform  
to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination  
made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date  
of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which  
royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof,  
Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-  
conveyance of interests.

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

Tx 1670214-000

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Berry Lee Malkey*  
 Berry Lee Malkey  
*Paulette Malkey*  
 Paulette Malkey

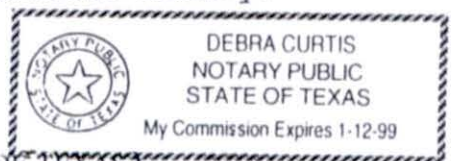
\_\_\_\_\_  
 \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF WASHINGTON

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 1995, by Berry Lee Malkey and wife, Paulette Malkey.

12th day of July, ~~June~~, 19 95  
*Debra Curtis*



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

ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF \_\_\_\_\_

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }  
 COUNTY OF \_\_\_\_\_

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

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

RECORDING INFORMATION

STATE OF \_\_\_\_\_ }  
 County of \_\_\_\_\_ } S.S.

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

By \_\_\_\_\_ Clerk (or Deputy)

## ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED JUNE 15, 1995, BY AND BETWEEN BERRY LEE MALKEY AND WIFE, PAULETTE MALKEY, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE.

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

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

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

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

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

Lessee. The payment by Lessee to Lessor of such rentals shall in no manner relieve Lessee from the obligation of payment of all royalties as shall become due upon subsequent production of a well which has been shut-in under the terms of this lease; and in no event shall Lessee be entitled to credit against such royalties due Lessor such rental sums paid by Lessee to Lessor under the terms and provisions hereof.

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

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

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

22. Notwithstanding the terms of the printed lease as may be to the contrary, the royalty provided for in this lease shall be a three-sixteenth (3/16) royalty; and where the fraction one-eighth (1/8), the same is hereby amended to read three-sixteenth (3/16).

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

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

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

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

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

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

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

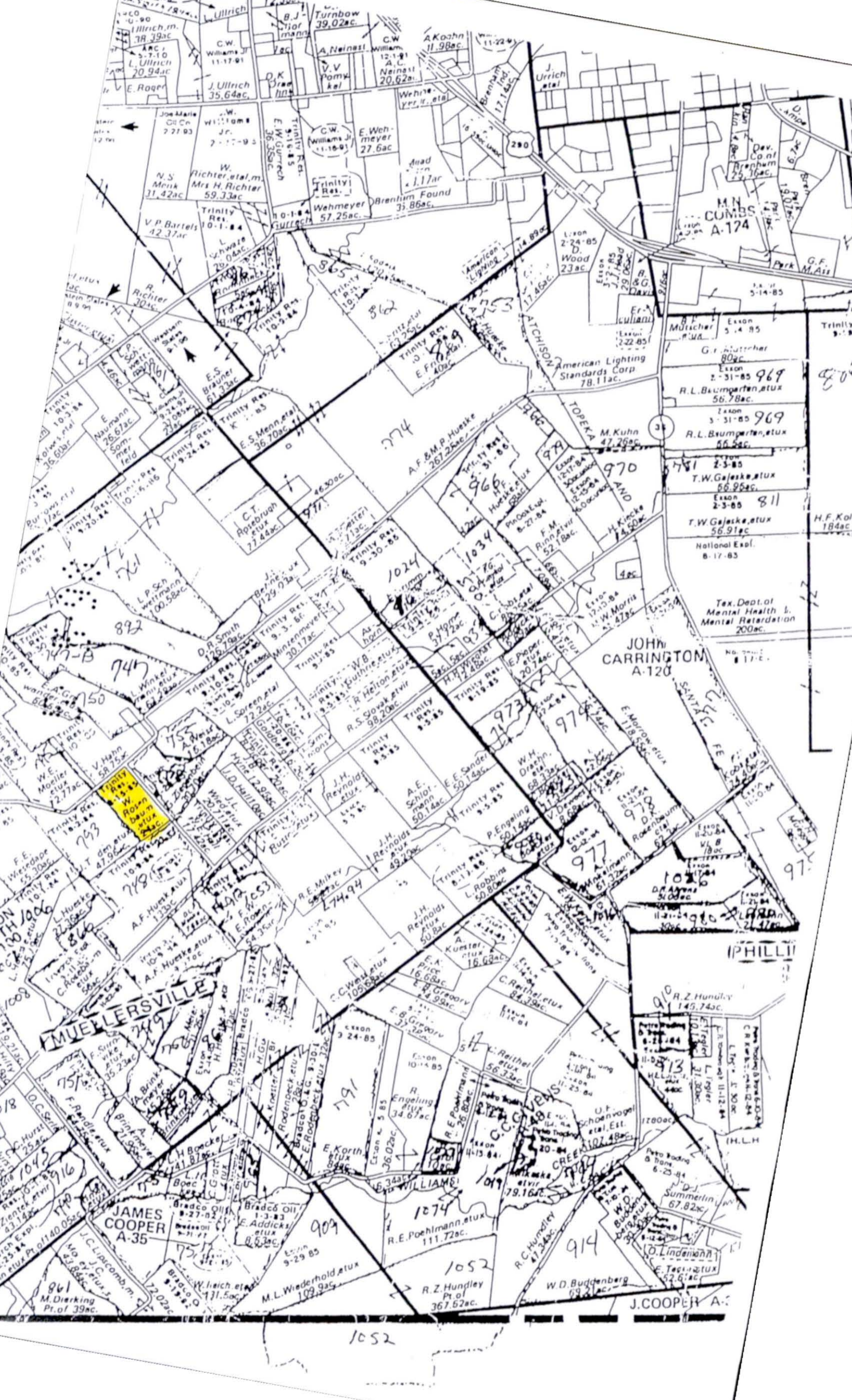
29. For the above consideration, Lessee is granted the option to renew this lease under the same provisions for a second primary term of two (2) years from the end of the primary term hereof, and as long thereafter as oil or gas is produced from said land or land pooled therewith. Lessee may exercise this option by paying or tendering to the Lessor or Lessor's credit in the heretofore named depository bank, the sum of Fifty and No/100 (\$50.00) Dollars per net mineral acre covered by this lease before the expiration of the primary term hereof. It is agreed and understood that all delay rental payments shall be deemed "paid-up" and said delay rental payments are included in any lease bonus payments tendered by the Lessee.

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

*Berry Lee Malkey*  
BERRY LEE MALKEY  
SS# \_\_\_\_\_

*Paulette Malkey*  
PAULETTE MALKEY  
SS# \_\_\_\_\_





Ullrich, m. 78.39ac  
L. Ullrich 20.94ac  
E. Rogge  
J. Ullrich 35.64ac  
W. Williams Jr. 11-17-91  
C.W. Williams Jr. 7-17-95  
A. Neinast 39.02ac  
V.V. Pomykal  
A. Neinast 20.62ac  
C.W. Williams 12-1-91  
A.C. Neinast 20.62ac  
A. Koehn 11.98ac  
J. Urrich et al  
Brenham Found 35.86ac  
Wahmeyer 57.25ac  
E. Wehmeyer 27.6ac  
Wahmeyer 57.25ac  
Brenham Found 35.86ac  
Wahmeyer 57.25ac  
E. Wehmeyer 27.6ac  
Wahmeyer 57.25ac  
E. Wehmeyer 27.6ac

MN COMBS A-174  
Dev. Co. of Brenham 15.6ac  
G.F. M. Ass  
5-14-85

Exxon 5-4-85  
G. Mulcher 80ac  
Exxon 2-31-85 969  
R.L. Baumgarten et ux 56.78ac  
Exxon 5-31-85 969  
R.L. Baumgarten et ux 56.55ac  
Exxon 2-3-85  
T.W. Gajesko et ux 66.96ac  
Exxon 2-3-85 811  
T.W. Gajesko et ux 56.91ac  
National Expl. 8-17-85  
Tex. Dept. of Mental Health & Mental Retardation 200ac

JOHN CARRINGTON A-120  
SANTA FE

W. R. Rosenbaum et ux  
15.4ac

MUELLERSVILLE

JAMES COOPER A-35

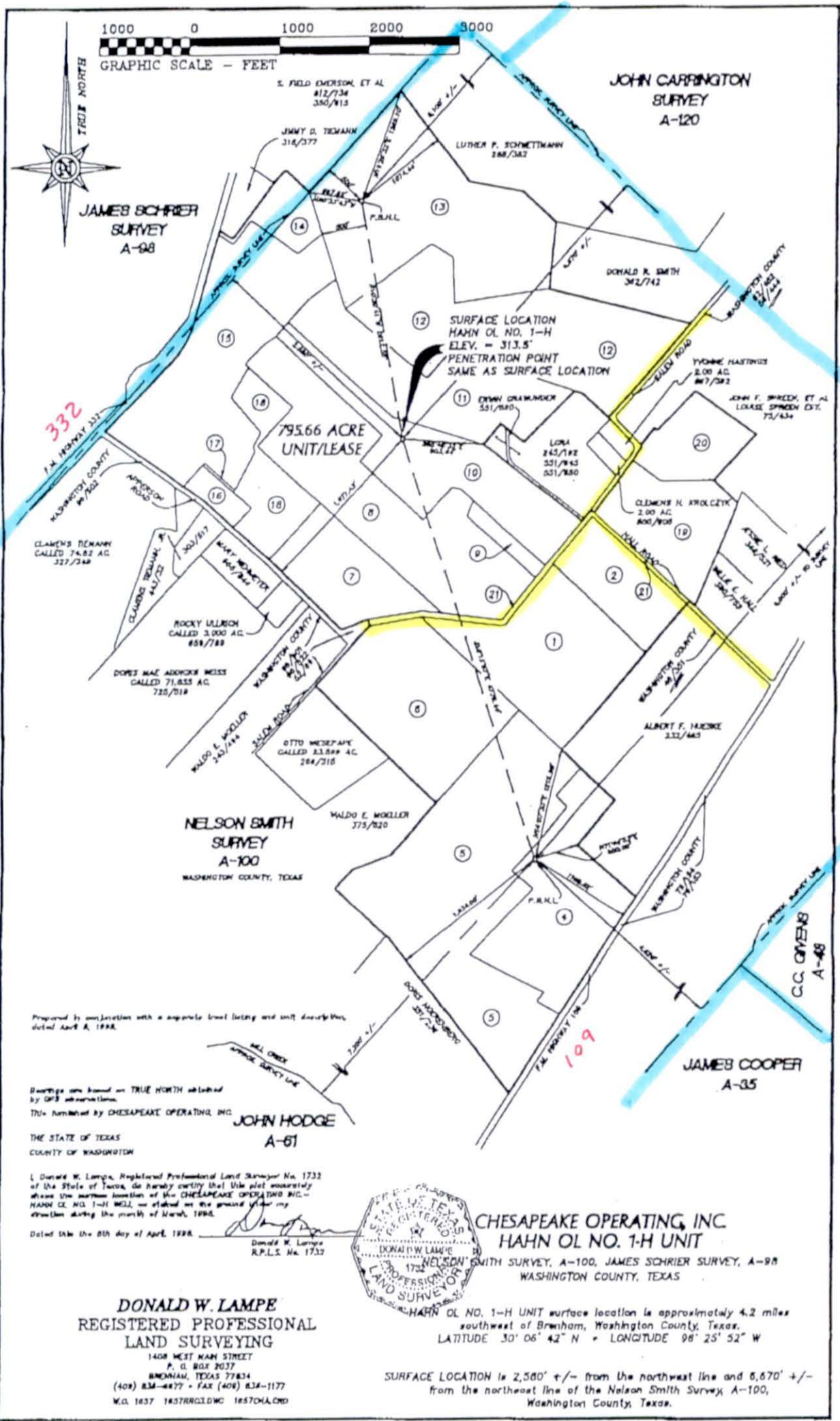
PHILLI

R. Z. Hundley 146.74ac

J. COOPER A-35

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|    | D  | E      | F         | G             | I                 | J                 | L                 | M          | O              | R                  | V        |
|----|--|--------|-----------|---------------|-------------------|-------------------|-------------------|------------|----------------|--------------------|----------|
| 1  | HAHN OL #1-H   |        |           |               |                   |                   |                   |            |                |                    |          |
| 2  | Tract #21  |        |           |               |                   |                   |                   |            |                |                    |          |
| 3  | Washington County, Texas   |        |           |               |                   |                   |                   |            |                |                    |          |
| 4  |  |        |           |               |                   |                   |                   |            |                |                    |          |
| 5  |  |        |           |               |                   |                   |                   |            |                |                    |          |
| 6  | LESSOR   | LESSEE | TRACT NO. | LEASE NO.     | GROSS AC. IN UNIT | Lessor's Interest | NET ACRES IN UNIT | ROYALTY    | BONUS PER ACRE | RECORDING VOL/PAGE | EXPIRES  |
| 7  | Free, Woodrow et ux  | COI    | 1         | TX1670492-000 | 49.21000000       | 1.000000          | 49.21000000       | 0.16666667 | \$ 75.00       | 770/211            | 10/13/99 |
| 8  | Mahey, Berry Lee et ux   | COI    | 2         | TX1670214-000 | 22.52000000       | 1.000000          | 22.52000000       | 0.18750000 | \$ 165.00      | 797/116            | 06/15/98 |
| 9  | Omitted  |        |           |               |                   |                   |                   |            |                |                    |          |
| 10 | Rosenbaum, Charlie, Jr. et al  | COI    | 4         | TX1670812-000 | 50.43000000       | 1.000000          | 50.43000000       | 0.16666667 | \$ 65.95       | 803/276            | 10/07/99 |
| 11 | Hueske, Gladys S.  | COI    | 5         | TX1670490-002 | 109.60000000      | 0.500000          | 54.80000000       | 0.16666667 | \$ 75.00       | 762/074            | 10/17/99 |
| 12 | Ladewig, Helen H.  | COI    | 5         | TX1670490-001 | 109.60000000      | 0.250000          | 27.40000000       | 0.16666667 | \$ 75.00       | 762/019            | 10/17/99 |
| 13 | Witte, Betty H.  | COI    | 5         | TX1670490-000 | 109.60000000      | 0.250000          | 27.40000000       | 0.16666667 | \$ 75.00       | 762/016            | 10/17/99 |
| 14 | Collier, Tom P, et ux  | COI    | 6         | TX1671062-000 | 55.24000000       | 1.000000          | 55.24000000       | 0.16666667 | \$ 75.00       | 790/435            | 01/09/00 |
| 15 | Coles, Gloria L.   | COI    | 7         | L14165        | 27.74000000       | 1.000000          | 27.74000000       | 0.16666667 | \$ 100.00      | 883/652            | 01/15/01 |
| 16 | Moeller, Waldo E, Individually and as Independent Executor of the Estate of Jeanette Moeller, Deceased | COI    | 8         | TX1670633-000 | 72.81000000       | 1.000000          | 72.81000000       | 0.16666667 | \$ 75.00       | 770/159            | 10/26/99 |
| 17 | Grimm, Billy Ray et ux   | COI    | 9         | TX1670600-000 | 4.09000000        | 1.000000          | 4.09000000        | 0.16666667 | \$ 75.00       | 762/031            | 10/21/99 |
| 18 | Hahn, Eida   | COI    | 10        | T95-0751      | 45.18000000       | 1.000000          | 45.18000000       | 0.16666667 | \$ 75.00       | 781/221            | 01/18/00 |
| 19 | Grawunder, Erwin A. et ux  | COI    | 11        | TX1670466-000 | 46.78000000       | 1.000000          | 46.78000000       | 0.16666667 | \$ 75.00       | 791/227            | 10/12/99 |
| 20 | Winkelmann, Louis F, et ux   | COI    | 12        | TX1670480-001 | 70.50000000       | 0.475600          | 33.52980000       | 0.16666667 | \$ 75.00       | 760/517            | 10/13/99 |
| 21 | Winkelmann, Louis H., represented by POA Louis E. Winkelmann, Jr.                                      | COI    | 12        | TX1670480-002 | 70.50000000       | 0.048800          | 3.44040000        | 0.16666667 | \$ 75.00       | 760/513            | 10/13/99 |
| 22 | Dietzmann, Barbara J.  | COI    | 12        | TX1670480-000 | 70.50000000       | 0.475600          | 33.52980000       | 0.16666667 | \$ 75.00       | 760/555            | 10/13/99 |
| 23 | Smith, Donald Ray, et ux   | COI    | 13        | TX1670705-000 | 81.74000000       | 1.000000          | 81.74000000       | 0.16666667 | \$ 75.00       | 761/440            | 11/03/99 |
| 24 | Tiemann, Clamens et ux   | COI    | 14        | TX1670963-001 | 10.00000000       | 0.500000          | 5.00000000        | 0.16666667 | \$ 100.00      | 780/091            | 02/08/00 |
| 25 | Young, Ronald D.   | UPRC   | 14        |               | 10.00000000       |                   |                   |            |                |                    |          |
| 26 | Tiemann, Clamens, et ux  | COI    | 15        | T94-2802      | 69.67000000       | 1.000000          | 69.67000000       | 0.16666667 | \$ 95.00       | 772/580            | 10/31/99 |
| 27 | Tiemann, Darlene Ann   | COI    | 16        | TX1670791-000 | 4.75000000        | 1.000000          | 4.75000000        | 0.16666667 | \$ 75.00       | 772/503            | 11/16/99 |
| 28 | Wiegat, David & Darlene Ann  | COI    | 17        | TX1670790-000 | 0.32000000        | 1.000000          | 0.32000000        | 0.16666667 | \$ 75.00       | 772/500            | 11/16/99 |
| 29 | Wehnmeyer, Marian  | COI    | 18        | TX1670601-000 | 20.58000000       | 1.000000          | 20.58000000       | 0.16666667 | \$ 75.00       | 761/423            | 10/21/99 |
| 30 | Ziegenbien, Gilbert  | COI    | 19        | TX1671108-001 | 30.72000000       | 0.750000          | 23.04000000       | 0.16666667 | \$ 75.00       | 758/900            | 10/12/99 |
| 31 | Ziegenbien, Lonnie   | COI    | 19        | TX1671108-004 | 30.72000000       | 0.125000          | 3.84000000        | 0.16666667 | \$ 75.00       | 836/706            | 07/01/99 |
| 32 | Goodrum, Charlyn   | COI    | 19        | TX1671108-005 | 30.72000000       | 0.041667          | 1.28000000        | 0.16666667 | \$ 75.00       | 836/711            | 07/01/99 |
| 33 | Ziegenbien, Melvin   | COI    | 19        | TX1671108-006 | 30.72000000       | 0.041667          | 1.28000000        | 0.16666667 | \$ 75.00       | 837/794            | 07/01/99 |
| 34 | Bowie, Shirley   | COI    | 19        | TX1671108-007 | 30.72000000       | 0.041667          | 1.28000000        | 0.16666667 | \$ 75.00       | 833/648            | 07/01/99 |
| 35 | Ziegenbien, Gilbert  | COI    | 20        | TX1671108-001 | 18.16000000       | 0.750000          | 13.62000000       | 0.16666667 | \$ 75.00       | 758/900            | 10/12/99 |
| 36 | Ziegenbien, Lonnie   | COI    | 20        | TX1671108-004 | 18.16000000       | 0.125000          | 2.27000000        | 0.16666667 | \$ 75.00       | 836/706            | 07/01/99 |
| 37 | Goodrum, Charlyn   | COI    | 20        | TX1671108-005 | 18.16000000       | 0.041667          | 0.75666667        | 0.16666667 | \$ 75.00       | 836/711            | 07/01/99 |
| 38 | Ziegenbien, Melvin   | COI    | 20        | TX1671108-006 | 18.16000000       | 0.041667          | 0.75666667        | 0.16666667 | \$ 75.00       | 837/794            | 07/01/99 |
| 39 | Bowie, Shirley   | COI    | 20        | TX1671108-007 | 18.16000000       | 0.041667          | 0.75666667        | 0.16666667 | \$ 75.00       | 833/648            | 07/01/99 |
| 40 | Washington County/ State of Texas  | COI    | 21        |               | 5.62000000        | 1.000000          | 5.62000000        | 0.18750000 | \$165.00       |                    |          |
| 41 |  |        |           |               |                   |                   |                   |            |                |                    |          |
| 42 |  |        |           |               |                   |                   |                   |            |                |                    |          |



Prepared in conjunction with a separate tract listing and unit description dated April 8, 1988.

Boundaries are based on TRUE NORTH obtained by GPS observations.  
 Title furnished by CHESAPEAKE OPERATING, INC.

THE STATE OF TEXAS  
 COUNTY OF WASHINGTON

I, Donald W. Lampe, Registered Professional Land Surveyor No. 1732 of the State of Texas, do hereby certify that this plat accurately shows the surface location of the CHESAPEAKE OPERATING, INC. HAHN OL NO. 1-H UNIT WELL as shown on the ground under my direction during the month of March, 1988.  
 Dated this 8th day of April, 1988.

**JOHN HODGE**  
 A-61



**CHESAPEAKE OPERATING, INC.**  
**HAHN OL NO. 1-H UNIT**  
 NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98  
 WASHINGTON COUNTY, TEXAS

**DONALD W. LAMPE**  
 REGISTERED PROFESSIONAL  
 LAND SURVEYING  
 1408 WEST MAIN STREET  
 P. O. BOX 2037  
 BIRMINGHAM, TEXAS 77434  
 (409) 834-4877 • FAX (409) 834-1177  
 W.O. 1637 1637RRGIDWC 1637OALCND

SURFACE LOCATION is 2,580' +/- from the northwest line and 6,670' +/- from the northeast line of the Nelson Smith Survey, A-100, Washington County, Texas.

7/70/159

# PAID UP OIL AND GAS LEASE

1055

THIS LEASE AGREEMENT is made as of the 26 day of October, 19 94, between WALDO E. MOELLER, Individually and as Independent Executor of the Estate of Jeanette Moeller, Deceased, whose address is: P. O. Box 988, Brenham, Texas 77833 as Lessor (whether one or more),

and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, Oklahoma 73118 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

For legal description of lands covered by this lease see EXHIBIT "A" attached hereto and made a part hereof.

For special provisions see EXHIBIT "B" attached hereto and made a part hereof.

in the county of Washington, State of Texas, containing 190.986 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in \_\_\_\_\_

Texas National Bank

Brenham, Texas 77833

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

TX 1670633-000

27,28,29

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises.

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

Witness marks (dots)

WALDO E. MOELLER, Individually & as Independent Executor of the Estate of Jeanette Moeller, Deceased

[Redacted SS No. or Tax ID]

ACKNOWLEDGEMENT

STATE OF TEXAS } COUNTY OF Washington

This instrument was acknowledged before me on the 27 day of October, 1994, by WALDO E. MOELLER, Individually & as Independent Executor of the Estate of Jeanette Moeller, Deceased

Notary Public, State of Texas
Notary's name (printed): Wesley H Moore
Notary's commission expires: October 14, 1998

ACKNOWLEDGEMENT

STATE OF TEXAS } COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS } COUNTY OF

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

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

RECORDING INFORMATION

STATE OF \_\_\_ County of \_\_\_ S.S.

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

By \_\_\_ Clerk (or Deputy)

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated October 26, 1994, by and between WALDO E. MOELLER, Individually and as Independent Executor of the Estate of Jeanette Moeller, Deceased, as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee.

\*\*\*\*\*

LEGAL DESCRIPTION:

TRACT 1: 47.395 acres of land, more or less, located in the NELSON SMITH SURVEY, A-100, Washington County, Texas, being the same land described in a deed from W. F. BOCKHORN and wife, EMMA BOCKHORN, to WALDO E. MOELLER and wife, JEANETTE MOELLER, dated October 1, 1962, and recorded in Volume 243, Page 494 of the Deed Records of Washington County, Texas.

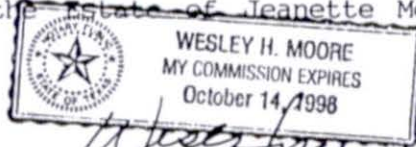
TRACT 2: 4.237 acres of land, more or less, located in the NELSON SMITH SURVEY, A-100, Washington County, Texas, being the same land described in a deed from IDA SPRAIN LOEFFLER to WALDO E. MOELLER and wife, JEANETTE MOELLER, dated February 19, 1973, and recorded in Volume 318, Page 134 of the Deed Records of Washington County, Texas.

TRACT 3: 72.777 acres of land, more or less, located in the NELSON SMITH SURVEY, A-100, Washington County, Texas, being the same land described in a deed from KENNETH H. MAUL AND J. RAY GONZALEZ to WALDO E. MOELLER and wife, JEANETTE MOELLER, dated May 27, 1976, and recorded in Volume 345, Page 763 of the Deed Records of Washington County, Texas.

TRACT 4: 66.577 acres of land, more or less, located in the NELSON SMITH SURVEY, A-100, Washington County, Texas, being the same land described in a deed from ALLEN E. SIMS and wife, MARTHA SIMS, to WALDO E. MOELLER and wife, JEANETTE MOELLER, dated February 7, 1979, and recorded in Volume 375, Page 820 of the Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION:

Waldo E. Moeller  
WALDO E. MOELLER, Individually and as Independent Executor of the Estate of Jeanette Moeller, Deceased



10-14-98

ADDENDUM TO OIL & GAS LEASE

This is an addendum to a Paid Up Oil and Gas Lease by and between Waldo Moeller, Individually and as Independent Executor of the Estate of Jeannette Moeller, Deceased as Lessor and CHESAPEAKE OPERATING, INC. of 6206 North Western, Oklahoma City, Oklahoma 73118 as Lessee, dated October 2<sup>nd</sup> 1994, on W.E.M. 190.986 acres, more or less, located in the N. Smith Survey, A-100, Washington County, Texas. W.E.M.

This addendum controls over the provisions of the preexisting portions of the lease. To the extent there is any conflict between the two, this addendum shall take precedence.

(15) Notwithstanding anything contained herein to the contrary, the royalties payable hereunder shall be one-sixth (1/6). Anywhere the fraction one-eighth (1/8) appears in paragraph 3 hereof, the same is hereby deemed to be deleted and the fraction one-sixth (1/6) substituted therefore.

(16) There is excepted here from and reserved to Lessors herein, all uranium, fissionable materials, coal, and lignite, It is specifically understood and agreed that this lease covers only oil, gas, sulfur and associated liquid or liquefiable hydrocarbons but this lease does not cover and include any other minerals, with all other such minerals being reserved to the Lessors herein. Accordingly, the words "oil, gas" when used herein, shall mean oil, gas, sulfur and associated liquid or liquefiable hydrocarbons; and all other substances are reserved to Lessors. Any reference to "minerals" as used hereinafter, or in the lease as amended hereby, shall accordingly mean oil, gas and associated hydrocarbons as herein defined and not otherwise reserved unto Lessor.

(17) Lessee, at its option, is hereby granted the right at any time, during or after the primary term, to pool or combine all or any portion of the leased premises with, all or any portion of other land or Leases in the immediate vicinity. Units pooled for Oil hereunder shall not exceed Eighty (80) acres each, plus a tolerance of Ten percent (10%) for those wells commonly known as "vertical wells" or 320 acres for wells from which production is obtained through horizontal or directional drilling. Units pooled for Gas, Distillate and/or Condensate hereunder shall not exceed Three Hundred Twenty (320) acres each, plus a tolerance of Ten percent (10%) for those wells commonly known as "vertical wells" or 640 acres\* for wells from which production has been established from this Lease or from any lands with which it has been pooled as herein provided, by executing an instrument describing and designating any pooled unit formed under the provisions hereof and filing such instrument for record in the Office of the Washington County Clerk, \*\* To the extent the premises leased hereby have not already been included in any pool or unit by virtue of the aforesaid provisions, pooling in one or more instances shall not exhaust

\* plus a maximum acreage tolerance of 10%

\*\* provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so.

the rights of the Lessee hereunder to pool this Lease or portions hereof into other units. Operations for drilling on or production from any part of such pooled unit shall be considered for all purposes of this Lease, except the payment of royalties, as operations for drilling on or production of this Lease. For the purpose of computing the royalties on production from any such pooled unit, there shall be allocated to the land covered by this lease and included in such a unit, that proportion of the total unit production which the number of surface acres in the land covered by this lease and included in the unit bears to the total number of surface acres in the unit.

(18) The foregoing notwithstanding, all lands described in this agreement, <sup>or permitted,</sup> which are not placed within a proration unit of size and nature required <sup>W.C.M.</sup> by the Railroad Commission of Texas, or a contemplated proration unit, under which drilling or reworking operations are in progress at the expiration of the primary term of this lease or at the end of continuous drilling operations, whichever occurs later, will revert to the Lessors, and this oil, gas and mineral lease shall be null and void, as to such acreage not being held by drilling or reworking operations or productions.

(19) Notwithstanding anything herein to the contrary, in the event Lessee exercises his right to pool the leased premises, Lessee shall include at least one-half (1/2) of the herein leased premises in such pooled unit.

(20) At the end of one (1) year after the expiration of the primary term hereof, or the end of continuous drilling operations, whichever occurs later, this lease shall automatically expire as to all depths lying deeper than the Edwards formation.

(21) "Commencement of operations" under the terms of this lease shall be considered to occur at such time as there has been erected on the leased lands, a drilling rig; and actual operations have commenced for the drilling of a well, which shall mean a well is spudded; or, in the event of a re-entry, actual operations for preparing the well bore to deepen or sidetrack have begun, for the purpose of exploring the Austin Chalk formation or other formations capable of producing Oil and or Gas.

(22) If Lessee requests, the parties hereto agree to execute a Memorandum of Oil, Gas and Mineral Lease for recording purposes.

(23) At the expiration of the primary terms of this lease or the cessation of production under the terms of this lease, Lessee or its assigns do hereby agree to promptly file a release of record in the Official Records of Washington County, Texas.

(24) The right to maintain this lease in force after the expiration of the primary term hereof by the payment of shut-in gas royalties under paragraph 3 of the printed form, shall be limited to a periods of time not in excess of three (3) years in the aggregate, after the expiration of the primary term of this lease.

(25) The first payment or royalty shall be made within one hundred twenty

(120) days from the end of the month following the first sale of production from, or the allocation of production to the leased premises, unless otherwise precluded by title examination and/or curative requirements, and in the event of such, Lessee will advise Lessor. Thereafter, all royalty shall be payable monthly. Lessee agrees to pay, in addition to the royalties due Lessor, interest on said royalty payments from the date that such royalty payments were due until payment are actually received by Lessor at the greater of ten (10) percent per annum or the amount of interest provided for under the Texas Natural Resources Code.

(26) If at any time a gas well is shut-in upon the leased premises or on acreage pooling therewith, Lessee shall become obligated to pay shut-in royalty at the rate of Five Dollars (\$5.00) per acre per year during which time any well is shut-in, for each acre covered by this lease. Each payment shall be made within ninety (90) days from the date each well is shut-in with subsequent payments due and payable on the expiration of each annual period thereafter, as applicable. The payment or tender of shut-in royalty under this Paragraph may be made by the check of Lessee, mailed or delivered to the parties entitled thereto on or before the date payment is due.

(27) After the end of primary term, it is understood and agreed upon between Lessor and Lessee herein that when any actual operations commence upon the leased premises herein said operations shall continue with no cessation until the actual drilling operations are actually underway. The actual drilling of a well, as such words "actual drilling" are used in this lease, shall be considered to be commenced when there shall have been erected on the leased premises or on lands pooled therewith, and when such well shall be "spudded-in" and rotating under power; and whenever the provisions of this lease, shall mean actual work in the hole, in a good and workmanlike manner, and prosecuted with reasonable diligence. The completion date of a well which results in commercial production shall be the earlier of the time: (1) the derrick and rig are no longer upright or (2) operations are not being conducted with such derrick and rig. The completion date of a well which results in a dry hole and is abandoned shall be the date upon which all work in the hold has been completed, prior to plugging.

(28) Lessee agrees that there shall be no construction of any kind or nature upon the leased premises herein unless the leased premises are to be included in the unit for which the construction is being done.

(29) This paragraph is intentionally left blank.

(30) Lessee agrees to indemnify and hold harmless Lessor and the heirs, successors and assigns of Lessor, from and against any and all claims, demands and causes of action and damages, arising out of, incidental to, or resulting from, the operations of or for Lessee hereunder, and from and against all costs and expenses incurred by Lessor and the heirs, successors and assigns of lessor, by reason of any such claims, including attorney's fees as well as any pollution, environmental,

hazardous waste or toxic waste problems.

(31) Lessee is not granted hereunder any right to use or any estate in fresh water either impounded on the surface or in Lessor's water wells, except Lessee may drill their own water wells and use water therefrom for ordinary drilling upon the leased premises or lands pooled therewith hereunder, but not for pressure maintenance, recycling or similar operations. Any use, however, shall not disturb or deplete the flow in any manner of any springs, artesian wells or fresh water on the premises. No salt water surface or subsurface disposal may be done on Lessor's property.

(32) Instead of Paragraph 14, Lessor substitutes the following: Lessors hereby bind themselves, their successors and assigns, to warrant and forever defend, to the extent hereinafter indicated, the title to the land hereby leased unto Lessee, its successors and assigns, from and against the claims of all persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through and under Lessors herein, only. Any recovery under Lessors' warranty, however, shall never be in excess of the amount of bonus consideration and royalty on production actually received by the particular Lessor against whom the recovery is sought. No recovery for money paid as delay rentals or shut-in gas well royalties shall be had in the event of breach of warranty. No warranty is made as to the quantity of acreage covered by this lease, and such warranty is subject to validly existing easements and right-of-ways, if any, affecting said land. Without impairment of Lessee's right under the warranty and in the event of failure of title, if Lessors own an interest in the oil and gas in, on and under the land hereby leased less than the full fee simple estate therein, then the royalties, delay rentals and other monies above provided which have not already been paid to Lessors shall be reduced proportionately.

(33) The following conditions, covenants and agreements concern, among other items, the use of the surface estate:

(a) The following terms and conditions shall apply to all operations conducted by Lessee hereunder with respect to the surface of the leased premises:

(i) Lessee shall use only so much of the surface of the leased premises as is reasonably necessary in the conduct of Lessee's operations hereunder after the completion of any well drilled hereunder as a producer of oil, gas and/or associated liquid hydrocarbons, Lessee shall not use more than two (2) acres of the surface of the leased premises surrounding any such well in producing, processing, and/or treating operations without the consent of Lessors being first had and obtained.

(ii) Lessee shall pay for all damages to the surface of the leased premises, including, but not limited to, damages to growing crops, fences, trees and improvements located on the leased premises, occasioned by Lessee's operations hereunder.

(iii) Before building any new roads upon the leased premises, Lessee shall first secure the approval of the Lessors. All roads used or constructed by Lessee shall be maintained in all weather condition throughout the term of the lease and shall be left, at Lessors' option, in all weather condition by Lessee at the termination of the lease. If Lessors so elect, Lessors shall have the right to require Lessee to remove the topping from the roads and to restore the surface of the land to substantially its former condition. If roads are removed, Lessee shall have the right to all toppings and associated gates and cattle guards. Lessee shall keep all roads on the leased premises used by Lessee, its agents, contractors and employees, in a state of good and level repair and, where required by Lessors, shall fill and resurface all improved roads with material of the same nature when such roads have been damaged by Lessee's operations hereunder.

(iv) Any seismic operations conducted under this lease shall be conducted in such manner so as not to cause any damage to water wells or springs of Lessors. Lessee may not discharge any explosives on the leased premises without first obtaining the written consent of Lessors. Lessee agrees to promptly restore the surface of the leased premises to substantially the same condition as it existed prior to the commencement of seismic operations. Lessee shall not cut any fences on the leased premises during any of the Lessee's seismic or other exploratory operations, and Lessee agrees that all gates used by Lessee, its agents, contractors or employees, in such seismic or other exploratory operations will be kept closed at all times. In the event any exploratory operations are conducted or engaged in under this lease in which explosives of any type or kind are used, all shot holes shall be spaced and kept a sufficient distance from Lessors' water wells on said land so as not to damage or injure such wells. In the event any such water well is damaged or injured by such explosives or the use thereof, Lessee agrees, at Lessee's own cost and expense, to repair any such water well or to drill and equip with Lessors' equipment, a new water well or water wells, in lieu of any so damaged. If any explosives are used and any water well or water wells or springs then producing water of Lessors, shall cease to produce water or shall produce salt water or show damage or injury thereto within sixty (60) days after any explosive or explosives are detonated in such exploratory operations, it shall be conclusively presumed that such water well or water wells were damaged and injured by such explosives and Lessee shall repair or replace such water well or water wells as herein provided. All shot holes shall be completely plugged with cement to just below plow depth, and shall be promptly covered by Lessee, and the surface of the land shall be restored to substantially the same condition as it was in before the commencement of such exploratory operations.

(v) In connection with any drilling or production operations on the leased premises, prior to cutting any fence of Lessors on the leased premises, Lessee shall brace the existing fence adequately on both sides of the proposed cuts with three brace posts per side, the posts are to be properly braced with horizontal braces and wired so that when the fence is cut, there will be no slackening of the wires. Lessee shall install and maintain substantial cattle guards or metal gates, capable of turning cattle, at all openings in fences which may be used by Lessee.

on or around such land without written consent of Lessors. Lessee shall keep the gates through which Lessee enters the above described land securely locked, at Lessee's own expense, and furnish keys or the combinations thereto to Lessors. Lessee shall confine all activities to the designated routes of ingress and egress.

(xiii) No operations shall be conducted closer than seven hundred fifty feet from Lessor's home and and outbuildings near Lessor's home.

(34) No oak trees greater than six (6) inches in diameter shall be cut or removed, without consent by Lessor, which shall not be unreasonably withheld.

(35) The following shall be substituted for Paragraph 11: The term "force majeure", as used in this agreement, means any present or future laws of the United States, or the State of Texas, or any rule, regulation or order heretofore or hereafter promulgated by any governmental body, agency or official, whether federal or state asserting jurisdiction over drilling or other operations hereunder or over the acquisition or use of any materials or equipment necessary in connection therewith, or war, rebellion, insurrection, riot, storm, tornado, flood and other acts of God, of failure of carriers to transport or furnish transportation facilities for such materials or equipment, or inability of Lessee for any such reasons (except financial) to obtain said materials or equipment. The term "force majeure period" means the time during which drilling or other operations of Lessee on said land are prevented, delayed, interrupted or suspended by reason of force majeure, plus thirty (30) days thereafter.

If drilling or other operations of Lessee on said land are prevented, delayed, interrupted or suspended by reason of force majeure not due to the fault of Lessee, the time within any force majeure period shall not be counted against Lessee, and this lease shall, insofar as it covers land with respect to which it is in force at the commencement of any force majeure period, continue in force during such force majeure period and so long thereafter as the lease remains in force under the provisions contained in the other numbered paragraphs of this lease agreement. Lessee shall give Lessors written notice of any force majeure period within thirty (30) days after the commencement of the force majeure period of which Lessee desires to claim the benefit. Failure to give notice within such time period shall be deemed a waiver of such force majeure period.

(36) In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 of and draining the leased premises Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances or release sufficient acreage to allow a unit of similar size to the well to the well draining Lessor's property.

(vi) Lessee shall remove fluids from the leased premises or Lessee may inject such fluids in a subsurface strata provided Lessee complies with all regulatory authoritative in so doing and gives Lessor a copy of all filings with such regulatory authority and shall back fill and/or level with topsoil all slush pits, open holes and other excavations, ruts in roads, pastures or fields, or any other portion of the leased premises which has been disturbed in operations hereunder, and shall burn all brush and remove all debris, leveling and cleaning up to be done in such a manner as to substantially restore the surface of the leased premises to the same condition as it existed prior to the commencement of operations hereunder. Lessee shall return to correct subsidence and any other problems caused by Lessee's operations. Leveling and clean up operations with respect to any well location shall be completed within one hundred eighty (180) days after the completion of any such well or the plugging and abandoning of the same, as the case may be, weather permitting.

(vii) Lessee shall, with barbed wire fence all slush and mud pits, drill sites, machinery, buildings, wells, earthen or other tanks and other equipment placed by Lessee on the land to prevent cattle and livestock from getting therein or thereon.

(viii) Lessee agrees not to allow any oil, gas or other minerals covered by and included in this lease and produced hereunder, any salt water, waste material or deleterious substance to flow over the surface of the leased premises, and not to allow the same to run or flow down any draws, drains, creeks, or ravines on the leased premises. Lessee shall construct such temporary retaining or disposal pits on the leased premises as shall be necessary to confine and dispose of such substance or substances used in drilling and shall confine such substance or substances in such disposal pits. No permanent retaining or disposal pits shall be allowed.

(ix) Under no circumstances will Lessee, its agents, contractors or employees, possess alcoholic beverages, fishing equipment, firearms or hunt or fish on lands owned by Lessors or bring dogs or other animals upon such lands whether those lands be under lease to Lessee or otherwise.

(x) During all operations, Lessee shall remove all trash and garbage from the leased premises resulting from Lessee's operations. Lessee shall maintain and police the grounds surrounding any producing well, tanks and equipment, removing all trash and other substances therefrom and shall keep all equipment painted and in good appearance. After drilling activities have ceased, all equipment shall be muffled to reduce the noise emitting from the equipment.

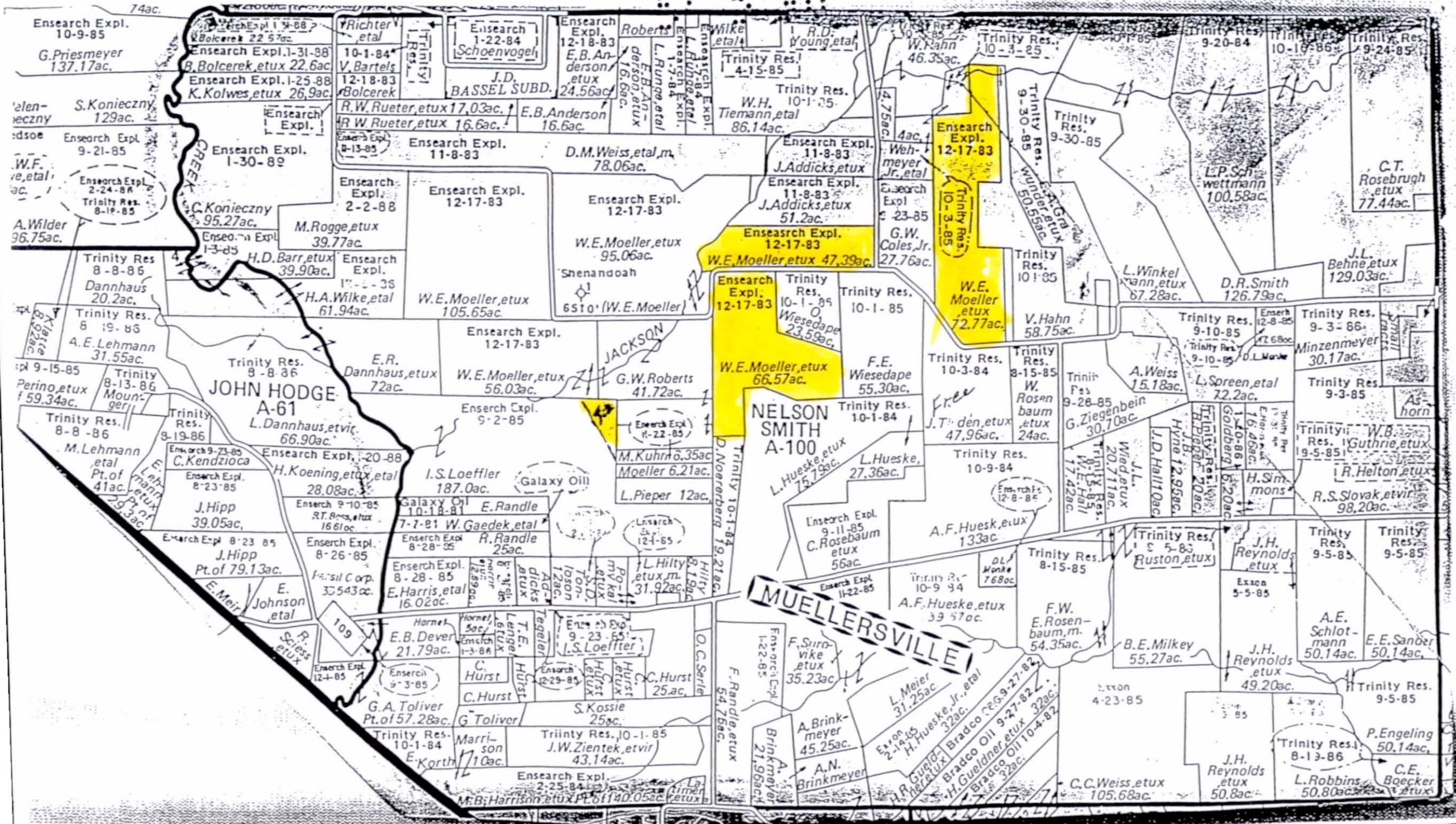
(xi) Lessee and Lessee's employees shall use due care to prevent grass fires on said land and to avoid damaging any of Lessors' property. None of Lessee's activities shall constitute a nuisance.

(xii) Lessee shall not enter the above described land except through gates constructed on said land by Lessee with Lessors' permission or those already constructed on said land by Lessors and in no event shall Lessee ever cut the fence

SIGNED FOR IDENTIFICATION: Waldo E. Moeller  
W.E.M. WALDO E. MOELLER, Individually and as  
Independent Executor of the Estate of  
Jeanette Moeller, Deceased

FILED  
AT 12:00 P.M.  
FEB - 6 1995  
Beth A. Rothermel  
BETH ROTHERMEL  
COUNTY CLERK, WASHINGTON COUNTY, TX

18794



②

MF 99302  
ITEM Police Attachments  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 5/4/98

2  
A  
A

6-16-98

M-99302 (K)

56-029214

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  
265.06 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

- 99297 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
- 99298 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  
94.41 in Robertson Co.  
Terms - \$300.00/Ac. Bonus, 1/4 Royalty, 3 Years Paid-up
- 99299 H) Applicant – Marshall & Winston, Inc.  
2952.00 Description – 39.36 ac. along St. Hwy. 55, situated in Sec. 19, A-734; Sec. 24, A-  
44.28 2149; Sec. 41, A-737 and Sec. 46, A-2103 in Edwards Co.  
Terms - \$75.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up
- 99300 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
- 99301 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
- 99302 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.,  
1.46 in Taylor Co.  
Terms - \$25.00/Ac. Bonus, 17% Royalty, 3 Years Paid-up

79306

- O) Applicant – Brigham Oil & Gas, L.P.  
724.75 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 99302  
ITEM Memo  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 6/10/98



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

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

December 16, 1998

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

Re: Property Name: Hahn #1-H  
Mineral File No: M-099302  
Property Number: 343878

Dear Sir or Madam:

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

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

If you should have any questions, please feel free to call me at (512) 463-5379.

Sincerely,

Mike May  
Accounts Examiner  
Royalty and Revenue Processing  
Energy Resources

**DIVISION ORDER**

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

PROPERTY NO.: 343878  
 PREPARED BY: PATSY WATTERS  
 EFFECTIVE: FIRST PRODUCTION

This agreement is made and entered into on the 23 day of NOVEMBER, 1998.

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

OPERATOR: CHESAPEAKE OPERATING, INC.

PROPERTY NAME: HAHN #1-H

COUNTY: WASHINGTON STATE: TEXAS

LEGAL DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER SVY, A-98 AND NELSON SMITH SVY, A-100

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

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

**DIVISION OF INTEREST**

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

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

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

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

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

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

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

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

| WITNESS                   | SIGNATURE OF INTEREST OWNER  | SOCIAL SECURITY/TAX I.D. NO. | ADDRESS            |
|---------------------------|------------------------------|------------------------------|--------------------|
|                           | <b>COPY FOR YOUR RECORDS</b> |                              |                    |
|                           |                              |                              |                    |
|                           |                              |                              |                    |
|                           |                              |                              |                    |
| WORK PHONE NUMBER:<br>( ) |                              | HOME PHONE NUMBER:<br>( )    | FAX NUMBER:<br>( ) |

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

EXHIBIT 'A'  
 ATTACHED TO DIVISION ORDER DATED: NOVEMBER 23, 1998  
 WELL NAME: HAHN #1-H  
 UNIT DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER SVY,  
 A-98 AND NELSON SMITH SVY, A-100  
 COUNTY: WASHINGTON STATE: TEXAS

| IT | OWN NO. | TRACT # | PROP. NUMBER | PY ST | EX CL | OWNER NAME                              | OWNER ADDRESS   | NET ACRES IN UNIT | LEASE ROYALTY | UNIT INTEREST | COMMENT/TITLE REQUIREMENT |
|----|---------|---------|--------------|-------|-------|---|---|-------------------|---------------|---------------|---------------------------|
| 2  | 642558  | 14      | 343878       | ST    |       | TOMMY JOE & DEBORAH S EILERS            | 700 PECAN BRENHAM TX 77833                                | 2.500000          | 0.16666667    | 0.00057870    | ATT #4, ATT #5            |
| 2  | 642559  | 17      | 343878       | SS    |       | DAVID & DARLENE WIEGHAT                 | RT 3 BOX 772H BRENHAM TX 77833                            | 0.320000          | 0.16666667    | 0.00007407    |                           |
| 2  | 642560  | 18      | 343878       | ST    |       | MARIAN WEHMEYER                         | RT 3 BOX 774 BRENHAM TX 77833                             | 20.580000         | 0.16666667    | 0.00476389    | ATT #6, ATT #7            |
| 2  | 642561  | 19      | 343878       | SS    |       | ELMO J & ERMA L HENSKE                  | 7 PERTHUIS FARM RD LAMARQUE TX 77568                      | 40.000000         | 0.16666667    | 0.00925926    |                           |
| 2  | 642562  | 20,21   | 343878       | SS    |       | ELIZABETH POMYKAL                       | 101 SHADY ACRES LN #1 BRENHAM TX 77833                    | 0.407500          | 0.16666667    | 0.00009433    |                           |
| 2  | 642563  | 20      | 343878       | SS    |       | MICHAEL FRED PORTER                     | 3780 FM 332 RD BRENHAM TX 77833                           | 0.195000          | 0.16666667    | 0.00004514    |                           |
| 2  | 642564  | 21      | 343878       | SS    |       | MICHAEL FRED & MARY CATHERINE PORTER HW | 3780 FM 332 RD BRENHAM TX 77833                           | 0.425000          | 0.16666667    | 0.00009838    |                           |
| 2  | 642565  | 20      | 343878       | SS    |       | PAUL EDWARD KASPROWICZ                  | RT 3 BOX 77-H BRENHAM TX 77833                            | 0.195000          | 0.16666667    | 0.00004514    |                           |
| 2  | 642566  | 20,21   | 343878       | ST    |       | TERRY & NANCY SMITH OERTLI              | 1150 SALEM RD BRENHAM TX 77833                            | 0.407500          | 0.16666667    | 0.00009433    | ATT #10                   |
| 2  | 642567  | 23,24   | 343878       | SS    |       | CHARLIE & MILDRED L BERGER LE           | 2300 TIGERPOINT RD BRENHAM TX 77833                       | 23.350000         | 0.16666667    | 0.00540509    |                           |
| 2  | 642568  | 25,26   | 343878       | SS    |       | HILDEGARD HUESKE                        | 2103 TISON BRENHAM TX 77833                               | 25.830000         | 0.16666667    | 0.00597917    |                           |
| 2  | 642569  | 28      | 343878       | SS    |       | THOMAS E MCGRAW TR THOMAS E MCGRAW TRST | 6503 BARANOWSKI RD BRENHAM TX 77833-7607                  | 56.020000         | 0.16666667    | 0.01296759    |                           |
| 2  | 642570  | 29      | 343878       | SS    |       | PLEASANT GROVE UNITED METHODIST CHURCH  | C/O JAMES RAY 405 JOHNSON ST BRENHAM TX 77833             | 1.190000          | 0.16666667    | 0.00027546    |                           |
| 2  | 642571  | 30      | 343878       | SS    |       | ARTHUR E HUESKE                         | 8803 BARANOWSKI RD BRENHAM TX 77833                       | 25.100000         | 0.16666667    | 0.00581019    |                           |
| 2  | 642572  | 32      | 343878       | ST    |       | ROBERT H & SUZANNE H STORMS             | 3820 FM 332 RD BRENHAM TX 77833                           | 1.170000          | 0.16666667    | 0.00027083    | ATT #1, ATT #11           |
| 2  | 642573  | 33      | 343878       | PA    |       | STATE OF TEXAS M-99302                  | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 3.970000          | 0.16666667    | 0.00091898    |                           |
| 2  | 642574  | 34      | 343878       | ST    |       | ROCKY & STACY ULLRICH                   | RT 3 BOX 775 BRENHAM TX 77833                             | 1.495000          | 0.16666667    | 0.00034606    | ATT #8, ATT #9            |
| 2  | 642575  | 6,31    | 343878       | SL    |       | STATE OF TEXAS                          | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 12.580000         | 0.16666667    | 0.00291204    |                           |
|    |         |         |              |       |       | RI TOTAL                                |   | 720.000000        |               | 0.16666667    |                           |

**DIVISION ORDER**

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

PROPERTY NO.: 343878  
 PREPARED BY: PATSY WATTERS  
 EFFECTIVE: FIRST PRODUCTION

This agreement is made and entered into on the 23 day of NOVEMBER, 19 98.

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

OPERATOR: CHESAPEAKE OPERATING, INC.

PROPERTY NAME: HAHN #1-H

COUNTY: WASHINGTON STATE: TEXAS

LEGAL DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER SVY, A-98 AND NELSON SMITH SVY, A-100

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

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

**DIVISION OF INTEREST**

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

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

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

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

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| WITNESS                   | SIGNATURE OF INTEREST OWNER  | SOCIAL SECURITY/ TAX I.D. NO. | ADDRESS            |
|---------------------------|------------------------------|-------------------------------|--------------------|
|                           | <b>COPY FOR YOUR RECORDS</b> |                               |                    |
|                           |                              |                               |                    |
|                           |                              |                               |                    |
|                           |                              |                               |                    |
| WORK PHONE NUMBER:<br>( ) |                              | HOME PHONE NUMBER:<br>( )     | FAX NUMBER:<br>( ) |

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

EXHIBIT 'A'  
 ATTACHED TO DIVISION ORDER DATED: NOVEMBER 23, 1998  
 WELL NAME: HAHN #1-H  
 UNIT DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER SVY,  
 A-98 AND NELSON SMITH SVY, A-100  
 COUNTY: WASHINGTON STATE: TEXAS

| IT | OWN NO. | TRACT # | PROP. NUMBER | PY ST | EX CL | OWNER NAME                              | OWNER ADDRESS   | NET ACRES IN UNIT | LEASE ROYALTY | UNIT INTEREST | COMMENT/TITLE REQUIREMENT |
|----|---------|---------|--------------|-------|-------|---|---|-------------------|---------------|---------------|---------------------------|
| 2  | 642558  | 14      | 343878       | ST    |       | TOMMY JOE & DEBORAH S EILERS            | 700 PECAN BRENHAM TX 77833                                | 2.500000          | 0.16666667    | 0.00057870    | ATT #4, ATT #5            |
| 2  | 642559  | 17      | 343878       | SS    |       | DAVID & DARLENE WIEGHAT                 | RT 3 BOX 772H BRENHAM TX 77833                            | 0.320000          | 0.16666667    | 0.00007407    |                           |
| 2  | 642560  | 18      | 343878       | ST    |       | MARIAN WEHMEYER                         | RT 3 BOX 774 BRENHAM TX 77833                             | 20.580000         | 0.16666667    | 0.00476389    | ATT #6, ATT #7            |
| 2  | 642561  | 19      | 343878       | SS    |       | ELMO J & ERMA L HENSKER                 | 7 PERTHUIS FARM RD LAMARQUE TX 77568                      | 40.000000         | 0.16666667    | 0.00925926    |                           |
| 2  | 642562  | 20,21   | 343878       | SS    |       | ELIZABETH POMYKAL                       | 101 SHADY ACRES LN #1 BRENHAM TX 77833                    | 0.407500          | 0.16666667    | 0.00009433    |                           |
| 2  | 642563  | 20      | 343878       | SS    |       | MICHAEL FRED PORTER                     | 3780 FM 332 RD BRENHAM TX 77833                           | 0.195000          | 0.16666667    | 0.00004514    |                           |
| 2  | 642564  | 21      | 343878       | SS    |       | MICHAEL FRED & MARY CATHERINE PORTER HW | 3780 FM 332 RD BRENHAM TX 77833                           | 0.425000          | 0.16666667    | 0.00009838    |                           |
| 2  | 642565  | 20      | 343878       | SS    |       | PAUL EDWARD KASPROWICZ                  | RT 3 BOX 77-H BRENHAM TX 77833                            | 0.195000          | 0.16666667    | 0.00004514    |                           |
| 2  | 642566  | 20,21   | 343878       | ST    |       | TERRY & NANCY SMITH OERTLI              | 1150 SALEM RD BRENHAM TX 77833                            | 0.407500          | 0.16666667    | 0.00009433    | ATT #10                   |
| 2  | 642567  | 23,24   | 343878       | SS    |       | CHARLIE & MILDRED L BERGER LE           | 2300 TIGERPOINT RD BRENHAM TX 77833                       | 23.350000         | 0.16666667    | 0.00540509    |                           |
| 2  | 642568  | 25,26   | 343878       | SS    |       | HILDEGARD HUESKE                        | 2103 TISON BRENHAM TX 77833                               | 25.830000         | 0.16666667    | 0.00597917    |                           |
| 2  | 642569  | 28      | 343878       | SS    |       | THOMAS E MCGRAW TR THOMAS E MCGRAW TRST | 6503 BARANOWSKI RD BRENHAM TX 77833-7607                  | 56.020000         | 0.16666667    | 0.01296759    |                           |
| 2  | 642570  | 29      | 343878       | SS    |       | PLEASANT GROVE UNITED METHODIST CHURCH  | C/O JAMES RAY 405 JOHNSON ST BRENHAM TX 77833             | 1.190000          | 0.16666667    | 0.00027546    |                           |
| 2  | 642571  | 30      | 343878       | SS    |       | ARTHUR E HUESKE                         | 8803 BARANOWSKI RD BRENHAM TX 77833                       | 25.100000         | 0.16666667    | 0.00581019    |                           |
| 2  | 642572  | 32      | 343878       | ST    |       | ROBERT H & SUZANNE H STORMS             | 3820 FM 332 RD BRENHAM TX 77833                           | 1.170000          | 0.16666667    | 0.00027083    | ATT #1, ATT #11           |
| 2  | 642573  | 33      | 343878       | PA    |       | STATE OF TEXAS M-99302                  | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 3.970000          | 0.16666667    | 0.00091898    |                           |
| 2  | 642574  | 34      | 343878       | ST    |       | ROCKY & STACY ULLRICH                   | RT 3 BOX 775 BRENHAM TX 77833                             | 1.495000          | 0.16666667    | 0.00034606    | ATT #8, ATT #9            |
| 2  | 642575  | 6,31    | 343878       | SL    |       | STATE OF TEXAS                          | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 12.580000         | 0.16666667    | 0.00291204    |                           |
|    |         |         |              |       |       | RI TOTAL                                |   | 720.000000        |               | 0.16666667    |                           |

M-99302 (4)  
D.O.  
12-16-98

15. 0.00

Texas General  
Land Office



David Dewhurst  
Commissioner

May 27, 1999

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

Re: Property Name: HAHN #2  
Mineral File No. MF-099302  
Property Number: 346852

Dear Sir or Madam:

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

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

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

Sincerely,

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

Stephen F. Austin Building

1700 North  
Congress Avenue

Austin, Texas  
78701-1495

512-463-5001

**DIVISION ORDER**

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

PROPERTY NO.: 346852  
 PREPARED BY: PATSY WATTERS  
 EFFECTIVE: FIRST PRODUCTION

This agreement is made and entered into on the 31 day of JANUARY, 19 99.

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

OPERATOR: CHESAPEAKE OPERATING, INC.

PROPERTY NAME: HAHN #2-H

COUNTY: WASHINGTON STATE: TEXAS

LEGAL DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER SVY, A-98 AND NELSON SMITH SVY, A-100

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

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

**DIVISION OF INTEREST**

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

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

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

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

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

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

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

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

| WITNESS                   | SIGNATURE OF INTEREST OWNER  | SOCIAL SECURITY/TAX I.D. NO. | ADDRESS |
|---------------------------|------------------------------|------------------------------|---------|
|                           | <b>COPY FOR YOUR RECORDS</b> |                              |         |
|                           |                              |                              |         |
|                           |                              |                              |         |
|                           |                              |                              |         |
| WORK PHONE NUMBER:<br>( ) | HOME PHONE NUMBER:<br>( )    | FAX NUMBER:<br>( )           |         |

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

EXHIBIT 'A'  
 ATTACHED TO DIVISION ORDER DATED: JANUARY 31, 1999  
 WELL NAME: HAHN #2-H  
 UNIT DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER  
 SVY, A-98 AND NELSON SMITH SVY, A-100  
 COUNTY: WASHINGTON STATE: TEXAS

| IT | OWN NO. | TRACT # | PROP. NUMBER | PY ST | EX CL | OWNER NAME                              | OWNER ADDRESS   | NET ACRES IN UNIT | LEASE ROYALTY | UNIT INTEREST | COMMENT/TITLE REQUIREMENT          |
|----|---------|---------|--------------|-------|-------|---|---|-------------------|---------------|---------------|------------------------------------|
| 2  | 642569  | 28      | 343878       | PA    |       | THOMAS E MCGRAW TR THOMAS E MCGRAW TRST | 6503 BARANOWSKI RD BRENHAM TX 77833-7607                  | 56.020000         | 0.16666667    | 0.01296759    |                                    |
| 2  | 642570  | 29      | 343878       | PA    |       | PLEASANT GROVE UNITED METHODIST CHURCH  | C/O JAMES RAY 405 JOHNSON ST BRENHAM TX 77833             | 1.190000          | 0.16666667    | 0.00027546    |                                    |
| 2  | 642571  | 30      | 343878       | PA    |       | ARTHUR E HUESKE                         | 6803 BARANOWSKI RD BRENHAM TX 77833                       | 25.100000         | 0.16666667    | 0.00581019    |                                    |
| 2  | 642572  | 32      | 343878       | ST    |       | ROBERT H & SUZANNE H STORMS             | 3820 FM 332 RD BRENHAM TX 77833                           | 1.170000          | 0.16666667    | 0.00027083    | ATT #1, ATT #11                    |
| 2  | 642573  | 33      | 343878       | PA    |       | STATE OF TEXAS M-99302                  | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 3.970000          | 0.16666667    | 0.00091898    |                                    |
| 2  | 642574  | 34      | 343878       | PA    |       | ROCKY & STACY ULLRICH                   | 7600 APPERSON RD BRENHAM TX 77833                         | 1.495000          | 0.16666667    | 0.00034606    | ATT #8 SATISFIED, ATT #9 SATISFIED |
| 2  | 642575  | 6,31    | 343878       | SL    |       | STATE OF TEXAS                          | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 12.580000         | 0.16666667    | 0.00291204    |                                    |

06.11.9

File No. MF-99302 (5)  
Division Order

Date Filed: 6-2-99

By David Dewhurst, Commissioner

5.11.00

ral  
ce



**David Dewhurst  
Commissioner**

May 27, 1999

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

Re: Property Name: HAHN #2  
Mineral File No. MF-099302  
Property Number: 346852

Dear Sir or Madam:

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

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

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

Sincerely,

*Marc A. Fuentes*

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

Stephen F. Austin Building

1700 North  
Congress Avenue

Austin, Texas  
78701-1495

512-463-5001

**DIVISION ORDER**

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

PROPERTY NO.: 346852  
 PREPARED BY: PATSY WATTERS  
 EFFECTIVE: FIRST PRODUCTION

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OPERATOR: CHESAPEAKE OPERATING, INC.

PROPERTY NAME: HAHN #2-H

COUNTY: WASHINGTON STATE: TEXAS

LEGAL DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER SVY, A-98 AND NELSON SMITH SVY, A-100

.....  
 .....  
 .....

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

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

**DIVISION OF INTEREST**

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

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

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

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

**PLEASE SIGN AND RETURN**

Failure to furnish your Social Security ID number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable

## EXHIBIT 'A'

ATTACHED TO DIVISION ORDER DATED: JANUARY 31, 1999  
 WELL NAME: HAHN #2-H  
 UNIT DESCRIPTION: 720 ACRES IN THE JAMES SCHRIER  
 SVY, A-98 AND NELSON SMITH SVY, A-100  
 COUNTY: WASHINGTON STATE: TEXAS

| IT | OWN NO. | TRACT # | PROP. NUMBER | PY ST | EX CL | OWNER NAME                              | OWNER ADDRESS   | NET ACRES IN UNIT | LEASE ROYALTY | UNIT INTEREST | COMMENT/<br>TITLE REQUIREMENT      |
|----|---------|---------|--------------|-------|-------|---|---|-------------------|---------------|---------------|------------------------------------|
| 2  | 642569  | 28      | 343878       | PA    |       | THOMAS E MCGRAW TR THOMAS E MCGRAW TRST | 6503 BARANOWSKI RD BRENHAM TX 77833-7607                  | 56.020000         | 0.16666667    | 0.01296759    |                                    |
| 2  | 642570  | 29      | 343878       | PA    |       | PLEASANT GROVE UNITED METHODIST CHURCH  | C/O JAMES RAY 405 JOHNSON ST BRENHAM TX 77833             | 1.190000          | 0.16666667    | 0.00027546    |                                    |
| 2  | 642571  | 30      | 343878       | PA    |       | ARTHUR E HUESKE                         | 6803 BARANOWSKI RD BRENHAM TX 77833                       | 25.100000         | 0.16666667    | 0.00581019    |                                    |
| 2  | 642572  | 32      | 343878       | ST    |       | ROBERT H & SUZANNE H STORMS             | 3820 FM 332 RD BRENHAM TX 77833                           | 1.170000          | 0.16666667    | 0.00027083    | ATT #1, ATT #11                    |
| 2  | 642573  | 33      | 343878       | PA    |       | STATE OF TEXAS M-99302                  | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 3.970000          | 0.16666667    | 0.00091898    |                                    |
| 2  | 642574  | 34      | 343878       | PA    |       | ROCKY & STACY ULLRICH                   | 7600 APPERSON RD BRENHAM TX 77833                         | 1.495000          | 0.16666667    | 0.00034606    | ATT #8 SATISFIED, ATT #9 SATISFIED |
| 2  | 642575  | 6,31    | 343878       | SL    |       | STATE OF TEXAS                          | STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701 | 12.580000         | 0.16666667    | 0.00291204    |                                    |

06.11.0

File No. MF-99302

(6)

Division Order

Date Filed: 6-2-99

By David Dewhurst, Commissioner

5.11.00

# DO NOT DESTROY



## UNIT AGREEMENT MEMO

Unit No. 2750

Operator Chesapeake Operating

Unit Name Hahn #1-14

County Washington

Effective Date 4/25/98

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 099302

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. 3.97 Blk. \_\_\_\_\_ Survey \_\_\_\_\_

720 x 1/6 = .0919 %

.005514 x .166667 = .000919

2. M.F. No. 100206

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. 12.58 Blk. \_\_\_\_\_ Survey \_\_\_\_\_

720 x 1/6 = .2912 %

.017472 x .166667 = .002912

3. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

4. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

### REMARKS:

INACTIVE - REPLACED  
BY # 2926 ~~XXXX~~ .003831

Prepared by: Marc A. Fuentes

Date 10-8-99

Map & GIS updated by: Rose A. Llanos

Date 10-8-99

Keyed into database by: M. Silva

Date 10-11-98

DECLARATION OF POOLED UNIT  
HAHN #1-H

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

This Declaration of Pooled Unit is executed to be effective as of April 25, 1998, by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

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

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

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

1.     Declaration of Unit. In accordance with the provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.
2.     Description of Unit Area. The Unit Area (herein so called) shall consist of 720.00 acres, more or less, being the lands which are more particularly described and depicted on Exhibit "B", which is attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying between the top of the Austin Chalk formation and the base of the Austin Chalk formation, **INSOFAR AND ONLY INSOFAR** as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well. This Declaration of Pooled Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit Area.

*[Handwritten signatures and dates]*

3. Unit Name. The pooled unit created hereby shall be known as the "Hahn #1-H Unit".

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

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

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

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

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

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

CHESAPEAKE OPERATING, INC.  
P. O. Box 18496  
Oklahoma City, OK 73154-0496

BY: [Signature] <sup>BS</sup>  
Henry J. Hood, Senior Vice President - Land and Legal

BELCO ENERGY L.P.

By: BELCO OPERATING CORP., its General Partner

BY: \_\_\_\_\_  
M. Bradford Moody, Vice President, Legal and Land

UNION PACIFIC RESOURCES COMPANY  
801 Cherry Street  
Fort Worth, Texas 76102

BY: \_\_\_\_\_  
Attorney-in-Fact

SWIFT ENERGY COMPANY  
16825 Northchase Drive, Suite 400  
Houston, Texas 77060

BY: \_\_\_\_\_  
President

ACKNOWLEDGMENTS

STATE OF OKLAHOMA        )  
  )  
COUNTY OF OKLAHOMA    )        ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 25 day of September, 1998, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:  
9/30/2000  
PUBLIC

[Signature]  
Notary Public in and for the  
State of Oklahoma

CHESAPEAKE OPERATING, INC.  
P. O. Box 18496  
Oklahoma City, OK 73154-0496

BY: \_\_\_\_\_  
Henry J. Hood, Senior Vice President - Land and Legal

~~CHESAPEAKE OPERATING, INC.~~ BELCO ENERGY I L.P.  
BELCO ENERGY CORP. it's General Partner  
By: ~~CHESAPEAKE OPERATING, INC.~~

BY: *Gary Byrd*  
~~CHESAPEAKE OPERATING, INC.~~  
Gary Byrd, Vice President-Land

UNION PACIFIC RESOURCES COMPANY  
801 Cherry Street  
Fort Worth, Texas 76102

BY: \_\_\_\_\_  
Attorney-in-Fact

SWIFT ENERGY COMPANY  
16825 Northchase Drive, Suite 400  
Houston, Texas 77060

BY: \_\_\_\_\_  
President

ACKNOWLEDGMENTS

STATE OF OKLAHOMA        )  
  )  
COUNTY OF OKLAHOMA    )        ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the  
State of Oklahoma



CHESAPEAKE OPERATING, INC.  
P. O. Box 18496  
Oklahoma City, OK 73154-0496

BY: \_\_\_\_\_  
Henry J. Hood, Senior Vice President - Land and Legal

BELCO ENERGY L.P.

By: BELCO OPERATING CORP., its General Partner

BY: \_\_\_\_\_  
M. Bradford Moody, Vice President, Legal and Land

UNION PACIFIC RESOURCES COMPANY  
801 Cherry Street  
Fort Worth, Texas 76102

*OPS*  
*K200*

BY: \_\_\_\_\_  
Andrew C. Rudderow Attorney-In-Fact

SWIFT ENERGY COMPANY  
16825 Northchase Drive, Suite 400  
Houston, Texas 77060

BY: \_\_\_\_\_  
President



ACKNOWLEDGMENTS

STATE OF OKLAHOMA        )  
  )  
COUNTY OF OKLAHOMA    )        ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public in and for the  
State of Oklahoma

CHESAPEAKE OPERATING, INC.  
P. O. Box 18496  
Oklahoma City, OK 73154-0496

BY: \_\_\_\_\_  
Henry J. Hood, Senior Vice President - Land and Legal

BELCO ENERGY L.P.

By: BELCO OPERATING CORP., its General Partner

BY: \_\_\_\_\_  
M. Bradford Moody, Vice President, Legal and Land

UNION PACIFIC RESOURCES COMPANY  
801 Cherry Street  
Fort Worth, Texas 76102

BY: \_\_\_\_\_  
Attorney-In-Fact

*RDK  
RAB  
CWJ*

SWIFT ENERGY COMPANY  
16825 Northchase Drive, Suite 400  
Houston, Texas 77060

BY: *James M. Kitterman*  
James M. Kitterman  
Senior Vice President - Operations

ACKNOWLEDGMENTS

STATE OF OKLAHOMA        )  
  )        ss:  
COUNTY OF OKLAHOMA    )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the  
State of Oklahoma



STATE OF TEXAS )  
 ) SS:  
COUNTY OF HARRIS )

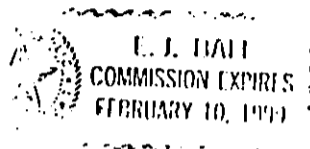
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 15<sup>th</sup> day of October, 1998, personally appeared Gary Byrd, Vice President, Land of BELCO ENERGY CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

2-10-99

E. J. Hall  
Notary Public in and for the  
State of Texas



STATE OF TEXAS )  
 ) SS:  
COUNTY OF TARRANT )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_ day of \_\_\_\_\_, 1998, personally appeared \_\_\_\_\_, AS ATTORNEY-IN-FACT for UNION PACIFIC RESOURCES COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the  
State of Texas



STATE OF TEXAS )  
 ) SS:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_ day of \_\_\_\_\_, 1998, personally appeared \_\_\_\_\_, as President of SWIFT ENERGY COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared M. BRADFORD MOODY, Vice President, Legal and Land of BELCO OPERATING CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

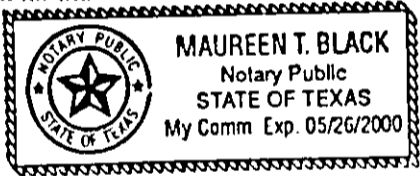
STATE OF TEXAS )  
 ) ss:  
COUNTY OF TARRANT )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 14<sup>th</sup> day of October, 1998, personally appeared ANDREW C. KENNEDY, AS ATTORNEY-IN-FACT for UNION PACIFIC RESOURCES COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:  
5-26-2000

Maureen T. Black  
Notary Public in and for the  
State of Texas



STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared \_\_\_\_\_, as President of SWIFT ENERGY COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF TEXAS )  
 )  
COUNTY OF HARRIS ) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared M. BRADFORD MOODY, Vice President, Legal and Land of BELCO OPERATING CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF TEXAS )  
 )  
COUNTY OF TARRANT ) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared \_\_\_\_\_ AS ATTORNEY-IN-FACT for UNION PACIFIC RESOURCES COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public in and for the State of Texas

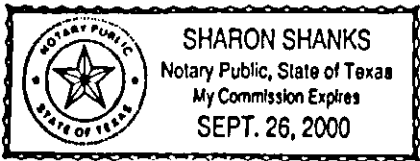
STATE OF TEXAS )  
 )  
COUNTY OF HARRIS ) ss:

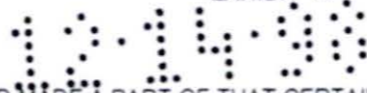
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 13<sup>th</sup> day of October, 1998, personally appeared James M. Katterman as Vice President of SWIFT ENERGY COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

My Commission Expires:

9-26-2000  
Sharon Shanks  
Notary Public in and for the State of Texas





ATTACHED HERETO AND MADE A PART OF THAT CERTAIN DECLARATION OF POOLED UNIT DATED  
EFFECTIVE AS OF APRIL 25, 1998, INSOFAR AND ONLY INSOFAR AS THE LEASES PERTAIN TO THE  
HAHN #1-H

| LESSOR   | LESSEE                          | LEASE NUMBER       | LEASE DATE                                     | RECORDING VOL/PAGE                       | GROSS ACRES IN LEASE, mol | SURVEY ABSTRACT NO. | ADDITIONAL LEGAL DESCRIPTION, as referenced in said lease recorded in Washington County, Texas |
|--|---------------------------------|--------------------|--|--|---------------------------|---------------------|--|
| Addicks, Leonard Earl, married, dealing in separate property         | Chesapeake Operating, Inc.      | TX1671286-001      | 04/14/98                                       | Re-recorded<br>899/679 -<br>892/705      | 11.5000                   | A-100               | Nelson Smith Survey  |
| Buerger, Charlie and wife, Mildred L. Buerger and Shirley Ann Hueske | Union Pacific Resources Company |                    | 07/16/98                                       | 899/488                                  | 23.2770                   | A-98                | James Schrier Survey   |
| Coles, Gloria L.   | Chesapeake Operating, Inc.      | TX1671311-000      | 01/15/98                                       | 883/652                                  | 27.7620                   | A-100               | Nelson Smith Survey  |
| Dietzmann, Barbara J.  | Chesapeake Operating, Inc.      | TX1670480-000      | 10/13/94                                       | 760/555                                  | 67.2800                   | A-100               | Nelson Smith Survey  |
| Eilers, Tommy Joe and wife, Deborah                                  | Union Pacific Resources Company | TX1671377-002      | 10/24/97                                       | 876/526                                  | 10.0000                   | A-100/A-98          | Nelson Smith Survey and James Schrier Survey   |
| Free, Woodrow, and wife, Joan Free                                   | Chesapeake Operating, Inc.      | TX1670492-000      | 10/13/94                                       | 770/211                                  | 47.9600                   | A-100               | Nelson Smith Survey  |
| Grawunder, Erwin A., and wife, Emma                                  | Chesapeake Operating, Inc.      | TX1670466-000      | 10/12/94                                       | 791/227                                  | 46.9280                   | A-100               | Nelson Smith Survey  |
| Grimm, Billy Ray, and Joy Dell Grimm                                 | Chesapeake Operating, Inc.      | TX1670600-000      | 10/21/94                                       | 762/031                                  | 4.0830                    | A-100               | Nelson Smith Survey  |
| Hahn, Elda, a widow, a/k/a Elda A                                    | Chesapeake Operating, Inc.      | L15043<br>T95-0751 | 01/18/95                                       | 781/221                                  | 45.5300                   | A-100               | Nelson Smith Survey  |
| Henske, Elmo J., et ux, Emma L. Henske                               | Union Pacific Resources Company | TX1671331-000      | Memorandum dated 9/4/96<br>Lease dated 11/3/93 | Memorandum<br>835/819 -<br>Lease 721/300 | 39.8380                   | A-98                | James Schrier Survey   |
| Hueske, Arthur E. and wife, Shirley                                  | Union Pacific Resources Company |                    | 07/16/98                                       | 899/500                                  | 25.0000                   | A-98                | James Schrier Survey   |
| Hueske, Hildegard, a widow   | Union Pacific Resources Company |                    | 07/16/98                                       | 899/496                                  | 26.5000                   | A-98                | James Schrier Survey   |

| LESSOR   | LESSEE                          | LEASE NUMBER       | LEASE DATE   | RECORDING VOL/PAGE                     | GROSS ACRES IN LEASE, mol | SURVEY ABSTRACT NO. | ADDITIONAL LEGAL DESCRIPTION, as referenced in said lease recorded in Washington County, Texas |
|--|---------------------------------|--------------------|--|--|---------------------------|---------------------|--|
| Kasprowicz, Paul Edward  | Union Pacific Resources Company | TX1671328-001      | Extension dated 11/12/97 - Memorandum dated 2/1/95 | Extension 874/924 - Memorandum 776/699 | 0.4700                    | A-98                | James Schrier Survey   |
| McGraw Trust, Thomas E. McGraw, Trustee of the   | Union Pacific Resources Company |                    | 08/14/96   | 834/121                                | 56.8300                   | A-98                | James Schrier Survey   |
| Moeller, Waldo E, Individually and as Independent Executor of the Estate of Jeanette Moeller, Deceased | Chesapeake Operating, Inc.      | TX1670633-000      | Amendment dated 5/1/98<br>Lease dated 10/26/1994   | Amendment 892/713 Lease 770/159        | 190.9860                  | A-100               | Nelson Smith Survey  |
| Oertli, Terry and wife, Nancy Smith Oertli   | Union Pacific Resources Company |                    | 11/18/97   | 875/532                                | 1.1340                    | A-98                | James Schrier Survey   |
| Pleasant Grove United Methodist Church   | Union Pacific Resources Company |                    | 04/10/97   | 855/752                                | 3.5000                    | A-98                | James Schrier Survey   |
| Pomykal, Elizabeth   | Union Pacific Resources Company |                    | 04/22/98   | 890/531                                | 1.1340                    | A-98                | James Schrier Survey   |
| Porter, Michael Fred and wife, Mary Catherine Porter   | Union Pacific Resources Company | TX1671374-001      | 11/18/97   | 875/535                                | 1.1340                    | A-98                | James Schrier Survey   |
| Smith, Donald Ray, and wife, Herma Loy Smith   | Chesapeake Operating, Inc.      | TX1670705-000      | 11/03/94   | 761/440                                | 126.7920                  | A-100               | Nelson Smith Survey  |
| State of Texas - Commissioner of the General Land Office   | Chesapeake Operating, Inc.      | L24742             | 06/16/98   | 901/820                                | 5.6200                    | A-100               | Nelson Smith Survey  |
| Storms, Robert H. and wife, Suzanne H. Storms  | Union Pacific Resources Company |                    | 03/27/97   | 855/84                                 | 0.9970                    | A-98                | James Schrier Survey   |
| Tiemann, Clamens, and wife, Ora Nell Tiemann   | Chesapeake Operating, Inc.      | TX1670963-001      | 02/08/95   | 780/091                                | 10.0000                   | A-100/A-98          | Nelson Smith Survey and James Schrier Survey   |
| Tiemann, Clamens, and his wife, Ora Nell Tiemann   | Chesapeake Operating, Inc.      | L14798<br>T94-2802 | 10/31/94   | 772/580                                | 149.0400                  | A-100               | Nelson Smith Survey  |

| LESSOR  | LESSEE                          | LEASE NUMBER  | LEASE DATE                                      | RECORDING VOL/PAGE                | GROSS ACRES IN LEASE, mol | SURVEY ABSTRACT NO. | ADDITIONAL LEGAL DESCRIPTION, as referenced in said lease recorded in Washington County, Texas |
|---|---------------------------------|---------------|---|-----------------------------------|---------------------------|---------------------|--|
| Tiemann, Clamens, aka C.W.R. Tiemann and wife, Ora Nell Tiemann                 | Union Pacific Resources Company |               | 07/16/98  | 899/493                           | 40.0000                   | A-98                | James Schrier Survey   |
| Tiemann, Jr., Clamens Robert and wife, Virginia Nell Tiemann                    | Chesapeake Operating, Inc.      | TX1670903-000 | 12/23/94  | 771/475                           | 15.1860                   | A-100               | Nelson Smith Survey  |
| Tiemann, Darlene Ann  | Chesapeake Operating, Inc.      | TX1670791-000 | 11/16/94  | 772/503                           | 4.7500                    | A-100               | Nelson Smith Survey  |
| Tiemann, Jimmy Dale and wife, Cheryl K. Tiemann                                 | Chesapeake Operating, Inc.      | TX1670801-000 | 11/16/94  | 770/222                           | 4.2300                    | A-98                | James Schrier Survey   |
| Ullrich, Rocky and wife, Stacy Ullrich  | Chesapeake Operating, Inc.      | TX1670677-000 | 08/25/95  | 805/120                           | 3.0000                    | A-100               | Nelson Smith Survey  |
| Wehmeyer, Marian  | Chesapeake Operating, Inc.      | TX1670601-000 | 10/21/94  | 761/423                           | 20.5800                   | A-100               | Nelson Smith Survey  |
| Wehmeyer, Mary K., a single woman   | Chesapeake Operating, Inc.      | TX1670568-000 | Memorandum dated 7/7/98 - Lease dated 8/29/1995 | Memorandum 899/77 - Lease 803/242 | 8.5000                    | A-100               | Nelson Smith Survey  |
| Weiss, Doris Mae Addicks  | Chesapeake Operating, Inc.      | TX1670348-000 | Memorandum dated 5/5/98 - Lease dated 6/4/1995  | Memorandum 892/54 - Lease 795/232 | 71.8550                   | A-100               | Nelson Smith Survey  |
| Weiss, Doris Mae Addicks  | Chesapeake Operating, Inc.      | TX1670654-000 | Memorandum dated 7/20/98 - Lease dated 9/12/95  | Memorandum 901/220 - Lease 805/87 | 11.5000                   | A-100               | Nelson Smith Survey  |
| Wieghat, David and Darlene Ann Wieghat  | Chesapeake Operating, Inc.      | TX1670790-000 | 11/16/94  | 772/500                           | 0.5100                    | A-100               | Nelson Smith Survey  |
| Winkelmann, Louis F., and wife, Dorothy H. Winkelmann                           | Chesapeake Operating, Inc.      | TX1670480-001 | 10/13/94  | 760/517                           | 67.2800                   | A-100               | Nelson Smith Survey  |
| Winkelmann, Louis H., represented by Power Of Attorney Louis F. Winkelmann, Jr. | Chesapeake Operating, Inc.      | TX1670480-002 | 10/13/94  | 760/513                           | 67.2800                   | A-100               | Nelson Smith Survey  |

| LESSOR                                      | LESSEE                          | LEASE NUMBER  | LEASE DATE  | RECORDING VOL/PAGE                     | GROSS ACRES IN LEASE, mol | SURVEY ABSTRACT NO. | ADDITIONAL LEGAL DESCRIPTION, as referenced in said lease recorded in Washington County, Texas |
|---|---------------------------------|---------------|---|--|---------------------------|---------------------|--|
| Young, Ronald D. and wife, Darlene C. Young | Union Pacific Resources Company | TX1671377-001 | Amendment dated 11/13/97 - Memorandum dated 1/27/97 | Amendment 875/407 - Memorandum 772/406 | 10.0000                   | A-100/A-98          | Nelson Smith Survey and James Schrier Survey   |

EXHIBIT "B"

CHESAPEAKE OPERATING, INC.  
 HAHN OL NO. 1-H UNIT  
 720.00 ACRES  
 NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98,  
 WASHINGTON COUNTY, TEXAS

Being 720.00 Acres of land, lying and being situated in Washington County, Texas, part of the Nelson Smith Survey, A-100 and part of the James Schrier Survey, A-98, comprised of the following mineral tracts listed below:

| <u>TRACT</u> | <u>MINERAL OWNER(S)</u>                | <u>ACREAGE</u> | <u>VOLUME/PAGE *</u>                          |
|--------------|--|----------------|---|
| 1            | Joan E. Free                           | 49.21 Acres    | 624/590                                       |
| 2            | Doris Mae Addicks Weiss                | 17.13 Acres    | 725/519                                       |
| 3            | Mary K. Wehmeyer, et al                | 8.48 Acres     | 666/844                                       |
| 4            | Clamens Tiemann, Jr., et ux            | 10.87 Acres    | 443/032, 303/517                              |
| 5            | Clamens Tiemann, et ux                 | 20.62 Acres    | 327/349                                       |
| 6            | Washington County/State of Texas       | 4.11 Acres     | 96/501, 96/502                                |
| 7            | Gloria L. Coles                        | 27.74 Acres    | 259/474                                       |
| 8            | Waldo E. Moeller                       | 72.81 Acres    | 345/763                                       |
| 9            | Billy Ray Grimm                        | 4.09 Acres     | 335/971                                       |
| 10           | Elda Hahn                              | 44.89 Acres    | 309/903                                       |
| 11           | Erwin A. Grawunder                     | 33.98 Acres    | 196/146                                       |
| 12           | Louis H. Winkelmann, et al             | 26.40 Acres    | 526/679, 185/006                              |
| 13           | Donald Ray Smith                       | 59.71 Acres    | 362/742                                       |
| 14           | Clamens Tiemann, et al                 | 10.00 Acres    | 487/398                                       |
| 15           | Ora Nell Tiemann, et vir               | 69.67 Acres    | 572/687, 463/670, 327/349                     |
| 16           | Darlene Ann Tiemann                    | 4.75 Acres     | 322/719                                       |
| 17           | David Wieghat                          | 0.32 Acre      | 669/540                                       |
| 18           | Marian Wehmeyer                        | 20.58 Acres    | 293/358, 371/326, 331/1007                    |
| 19           | Elmo J. Henske, et ux                  | 40.00 Acres    | 449/760, 506/559                              |
| 20           | Paul Edward Kasprowicz, et al          | 0.78 Acre      | 447/136                                       |
| 21           | Terry Oertli, et al                    | 0.85 Acre      | 443/465                                       |
| 22           | Jimmie Dale Tiemann, et ux             | 6.07 Acres     | 318/377                                       |
| 23           | Charlie Berger, et al                  | 19.50 Acres    | 477/005                                       |
| 24           | Charlie Berger, et ux                  | 3.85 Acres     | 298/571                                       |
| 25           | Hildegard Hueske                       | 21.92 Acres    | 229/189                                       |
| 26           | Hildegard Hueske, et al                | 3.91 Acres     | 298/569                                       |
| 27           | Clamens Tiemann, et ux                 | 38.85 Acres    | 201/587, 180/468                              |
| 28           | Thomas E. McGraw, et al                | 56.02 Acres    | 239/055                                       |
| 29           | Pleasant Grove United Methodist Church | 1.19 Acre      | 005/613                                       |
| 30           | Arthur E. Hueske, et ux                | 25.10 Acres    | 274/239                                       |
| 31           | Washington County/State of Texas       | 8.47 Acres     | 91/072, 91/230, 91/232,<br>201/563, & 201/587 |
| 32           | Robert H. Storms, et ux                | 1.17 Acre      | 673/182                                       |
| 33           | Washington County/State of Texas       | 3.97 Acres     | 96/522, 62/482, 56/444,<br>96/501, & 46/351   |
| 34           | Rocky Ullrich, et al                   | 2.99 Acres     | 659/789                                       |

And being more particularly described as follows:

BEGINNING at a 1/2" iron rod found at a fence corner for the north corner of said Tract 13, included herein, being in the northwest line of the Nelson Smith Survey, A-100, common with the southeast line of the James Schrier Survey, A-98, and being the west corner and of the Luther P. Schwettmann tract, recorded in Volume 288, Page 382, Deed Records of Washington County, Texas (288/382, D.R.W.C., Tx.);

THENCE, along a northeast line of Tract 13, common with a southwest line of said Schwettmann tract, S 38° 23' 51" E, 1178.20 feet; S 34° 41' 41" E, 74.35 feet, to a 1/2" iron rod found at a fence corner; and S 80° 09' 58" E, 24.79 feet, to an exterior corner hereof on a north line of the Donald R. Smith tract (362/742, D.R.W.C., Tx.), common with a south line of said Schwettmann tract;

THENCE, along east lines of Tracts 13, 12, and 11, severing said Smith tract, the Louis H. Winkelmann tract (185/006, D.R.W.C., Tx.), and the Erwin A. Grawunder tract (196/146, D.R.W.C., Tx.), S 03° 09' 17" E, 2847.54 feet, to a 1/2" iron rod found at a fence corner for the west corner of the Lower Colorado River Authority tract (L.C.R.A.) (245/192, D.R.W.C., Tx.; 551/645, O.R.W.C., Tx.; and 551/650, O.R.W.C., Tx.);

CHESAPEAKE OPERATING, INC.  
HAHN OL NO. 1-H UNIT

THENCE, along northeast lines of Tract 10, common with the southwest lines of said L.C.R.A. tract and of a Erwin Grawunder tract (551/660, O.R.W.C., Tx.), as follows:

S 58° 05' 03" E, 109.23 feet, to a 1/2" iron rod found at a fence corner; and

S 52° 57' 18" E, at 1275.70 feet pass a 1/2" iron rod found on the northwest margin of Salem Road for the north corner of said Tract 33, at a total distance of 1326.41 feet, to the east corner of Tract 33 in a northwest line of the Berry Lee Malkey tract (764/294, O.R.W.C., Tx.);

THENCE, along a southeast line of Tract 33, S 39° 39' 14" W, 577.02 feet, to a 1/2" iron rod found at a fence corner for the north corner of said Tract 1 in the southeast line of Tract 33;

THENCE, along the northeast line of Tract 1, S 47° 45' 21" E, 1414.17 feet, to a 1/2" iron rod found at a fence corner for the east corner of said Tract 1 in a northwest line of the Albert F. Hueske tract (232/465, D.R.W.C., Tx.);

THENCE, along the southeast line of Tract 1, S 42° 06' 12" W, 1399.81 feet, to a fence corner for the south corner of Tract 1 in a northeast line of the Gladys S. Hueske tract (351/239 & 234/119, D.R.W.C., Tx.), common with the upper west corner of said Albert F. Hueske tract for a south corner hereof;

THENCE, along the southwest lines of Tract 1, as follows:

N 47° 54' 30" W, 653.70 feet, to an iron pipe found;

N 47° 48' 03" W, 783.75 feet;

N 48° 36' 03" W, 134.00 feet;

N 48° 20' 03" W, 492.71 feet; and

N 37° 01' 03" W, 53.34 feet, to the west corner of Tract 1 in a south line of Tract 33;

THENCE, S 80° 55' 09" W, 594.00 feet, to a 1/2" iron rod found on a south margin of Salem Road for a southwest corner of Tract 33;

THENCE, N 15° 37' 51" W, 72.46 feet, to the northwest corner of Tract 33 in a south line of Tract 7;

THENCE, S 69° 20' 26" W, 318.70 feet, to a 3/8" iron rod found at a fence corner for the southwest corner of Tract 7 in the northeast margin of Apperson Road;

THENCE, along the southwest line of said Tract 7, N 47° 04' 28" W, 438.87 feet, to the east corner of Tract 6 in the northeast margin of Apperson Road;

THENCE, along the southeast line of said Tracts 6 and 2, S 42° 23' 23" W, 1080.54 feet, to the south corner of said Tract 2 in the northwest line of the Waldo E. Moeller tract (243/494, D.R.W.C., Tx.);

THENCE, along the southwest lines of said Tracts 2, 4, and 5, N 43° 38' 12" W, 3000.03 feet, to the south corner of Tract 31 on the southeast margin of F.M. Highway 332;

THENCE, along the southwest line of said Tract 31, N 46° 53' 29" W, 80.01 feet, to the west corner of Tract 31, common with the south corner of said Tract 27 on the northwest margin of F.M. Highway 332;

THENCE, along southwest lines of said Tracts 27, 28, and 29, as follows:

N 47° 15' 13" W, 2075.44 feet;

N 48° 13' 38" W, 574.53 feet;

N 46° 14' 56" W, 140.57 feet;

N 44° 30' 04" W, 470.54 feet; and

N 31° 54' 03" W, 36.44 feet, to the west corner of Tract 28 and of this unit tract;

THENCE, along northwest lines of Tract 28, as follows:

N 42° 35' 30" E, 498.18 feet; and

N 40° 51' 54" E, 721.29 feet, to the north corner of Tract 28;

THENCE, along the northeast line of Tract 28, S 47° 47' 17" E, 1124.79 feet, to a stone found at a fence corner for the west corner of said Tract 30;

CHESAPEAKE OPERATING, INC.  
HAHN OL NO. 1-H UNIT

THENCE, along the northwest lines of said Tracts 30 and 25, as follows:  
N 42° 24' 35" E, 810.16 feet; and  
N 42° 04' 24" E, 1152.84 feet, to the north corner of Tract 25 and an interior corner of the A. A. Hodde tract (580/734, O.R.W.C., Tx.);

THENCE, along the perimeter of said Hodde tract, as follows:  
S 48° 52' 15" E, 438.52 feet;  
N 08° 03' 00" E, 2.57 feet;  
S 47° 50' 28" E, 28.70 feet;  
N 38° 11' 38" E, 906.67 feet; and  
N 73° 15' 09" E, 820.85 feet, to northeast corner of said Tract 19 on a west margin of F.M. Highway 332;

THENCE, along east lines of Tract 19, common with said highway margin, as follows:  
S 15° 26' 36" W, 192.72 feet;  
S 16° 07' 36" W, 565.44 feet; and  
S 15° 41' 26" W, 355.53 feet, to an exterior corner hereof in the northwest line of said Tract 20;

THENCE, along the northwest line of Tract 20, N 41° 40' 35" E, 91.29 feet, to the north corner of Tract 20;

THENCE, along the east line of Tract 20, S 15° 41' 26" W, 132.13 feet, to the north corner of said Tract 22 in the east line of Tract 20;

THENCE, along the northeast line of Tract 22, S 57° 13' 05" E, 496.80 feet, to a 1/2" iron rod found at a fence corner for the east corner of Tract 22 in a northwest line of said Tract 14;

THENCE, along a northwest line of Tract 14, N 41° 57' 17" E, 192.81 feet, to a 1/2" iron rod found at a fence corner for the north corner of Tract 14;

THENCE, along a northeast line of Tract 14, S 47° 35' 26" E, 361.47 feet, to a 3/8" iron rod found at a fence corner for the west corner of Tract 13 in the common line of the James Schrier Survey, A-98 and the Nelson Smith Survey, A-100;

THENCE, along the northwest line of Tract 13, N 42° 39' 00" E, 1493.80 feet, to the PLACE OF BEGINNING, containing 720.00 acres of land.

Bearings are based on True North obtained by GPS observations.

\* All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, Texas. Title furnished by Chesapeake Operating, Inc. and Union Pacific Resources Company.

Prepared in conjunction with a separate survey plat and tract listing created by Donald W. Lampe Professional Land Surveyors, dated July 20, 1998.

Tract acreages subject to this Unit are from record and/or lease. Acreages are scaled from the Unit Plat.

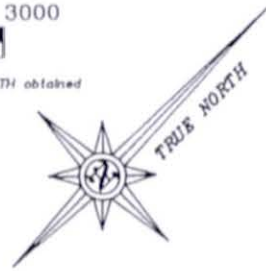
Dated this 4th day of August, 1998.



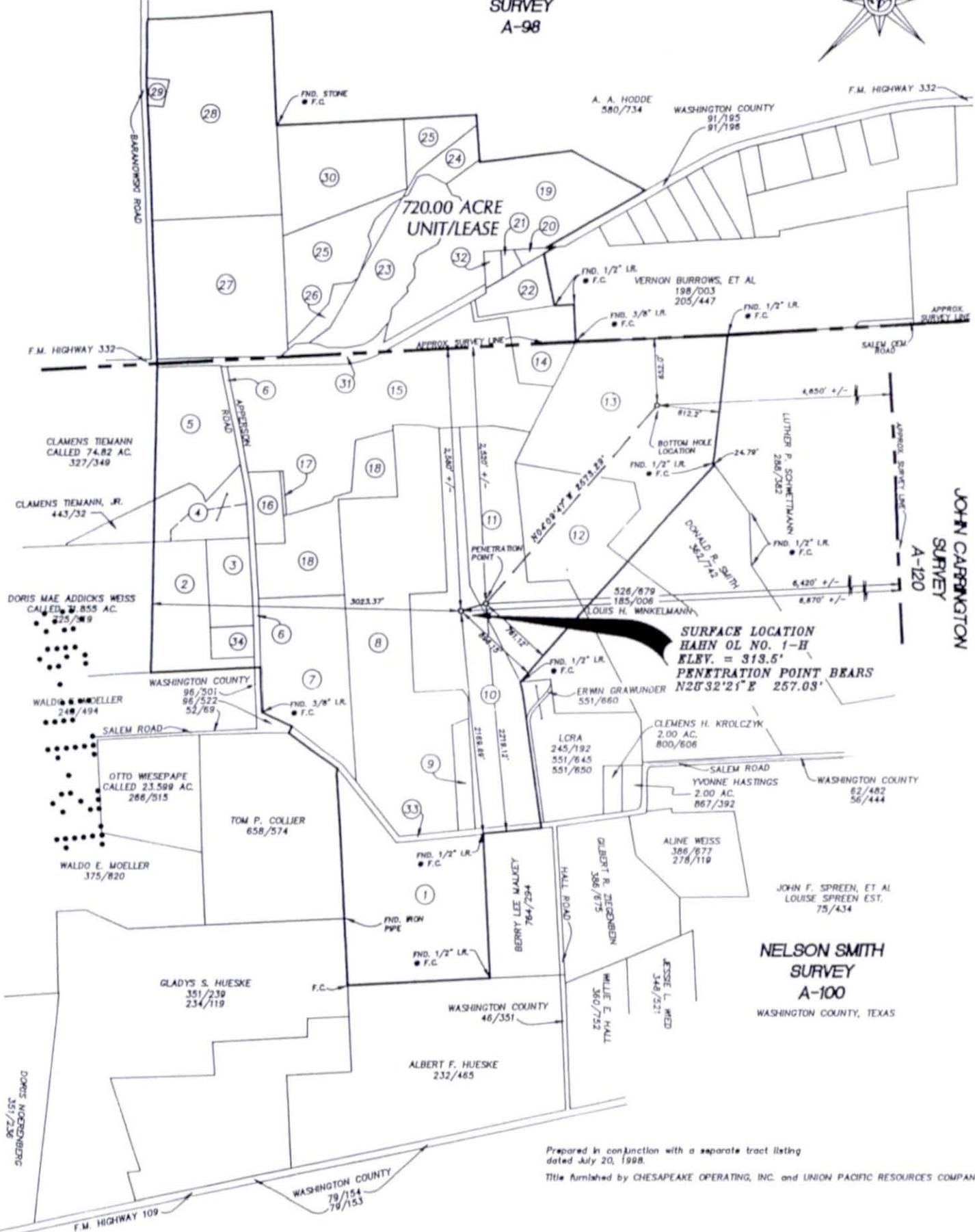
1657-98  
1657DES2



Bearings are based on TRUE NORTH obtained by GPS observations.



JAMES SCHRIER SURVEY A-98



Prepared in conjunction with a separate tract listing dated July 20, 1998. Title furnished by CHESAPEAKE OPERATING, INC. and UNION PACIFIC RESOURCES COMPANY.

THE STATE OF TEXAS COUNTY OF WASHINGTON

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

Dated this the 20th day of July, 1998. [Signature] Donald W. Lampe R.P.L.S. No. 1732

AS DRILLED PLAT CHESAPEAKE OPERATING, INC. HAHN OL NO. 1-H

NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98 WASHINGTON COUNTY, TEXAS

HAHN OL NO. 1-H UNIT surface location is approximately 4.2 miles southwest of Brenham, Washington County, Texas. SURFACE LOC. = LATITUDE 30° 06' 42" N • LONGITUDE 96° 25' 52" W BOTTOM HOLE LOC. = LATITUDE 30° 07' 10" N • LONGITUDE 96° 25' 53" W SURFACE LOCATION is 2,580' +/- from the northwest line and 6,670' +/- from the northeast line of the Nelson Smith Survey, A-100, Washington County, Texas.

DONALD W. LAMPE REGISTERED PROFESSIONAL LAND SURVEYING 1408 WEST MAIN STREET P. O. BOX 2037 BRENHAM, TEXAS 77834 (409) 836-6677 • FAX (409) 836-1177 W.O. 1857 1857RRC5.DWG 1857CHA.CRD

**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 231  
405/879-9563 FAX

DIVISION ORDERS

PATSY H. WATTERS  
SENIOR ANALYST

December 9, 1998

Mr. Mike May  
State of Texas  
Stephen F. Austin Bldg.  
1701 N. Congress  
Austin, TX 78701

Dear Mr. May:

Per your request, enclosed is a copy of the DPU and Plat for the Hahn #1 Well.

If I can be of any other service, please let me know.

Best regards,



Patsy Watters

/phw

121430

RECEIVED  
98 DEC 14 AM 8:30

F:patsylhahn #1st of tx

File No. MF099302

Unit Agreement

Date Filed: 12/14/98

By David E. ... Commissioner

15.14.00

# DO NOT DESTROY



## UNIT AGREEMENT MEMO

Unit No. 2926

Operator Chesapeake Operating, Inc

Unit Name Hahn #1

County Washington

Effective Date 4/25/98

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 099302 /

Area \_\_\_\_\_ Tr. 33

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

3.97/720 x 1/6 = .0919 %

.005514 x .166667 = .000919

2. M.F. No. 100206

Area \_\_\_\_\_ Tr. 6 ; 31

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

12.53/720 x 1/6 = .2912 %

.017472 x .166667 = .002912

3. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

4. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

### REMARKS:

HWY - ROW

|   |                      |
|---|----------------------|
| Prepared by: <u>Marc A. Juenter</u>     | Date <u>10-10-00</u> |
| Map & GIS updated by:                   | Date                 |
| Keyed into database by: <u>M. Silva</u> | Date <u>11-2-00</u>  |

AMENDED DECLARATION OF POOLED UNIT  
HAHN #1-H

3715

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

This Amended Declaration of Pooled Unit is executed to be effective as of April 25, 1998, by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

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

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

WHEREAS, the purpose and intent of this amended declaration is to include the following lease, which was unavailable at the time of filing the original Declaration of Pooled Unit - Hahn #1-H filed at Volume 909, Page 415, in the real property records of Washington County, Texas: State of Texas (Volume 924, Page 261) (recorded in the records of Washington County, Texas). This amended declaration is intended to amend and supersede said original Declaration of Pooled Unit. This amended declaration does not increase or decrease the size nor alter the configuration of the original unit.

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

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

UAD167-0004

2. Description of Unit Area. The Unit Area (herein so called) shall consist of 720.00 acres, more or less, being the lands which are more particularly described and depicted on Exhibit "B", which is attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying between the top of the Austin Chalk formation and the base of the Austin Chalk formation, **INSOFAR AND ONLY INSOFAR** as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well. This Declaration of Pooled Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit Area.

3. Unit Name. The pooled unit created hereby shall be known as the "Hahn #1-H Unit".

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

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

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

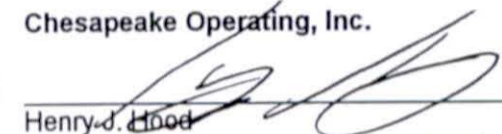
7. Multiple Originals. This instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may not be ratified, consented to or approved by any party, individual, person or entity except upon the express written consent of all the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or

ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

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

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

**Chesapeake Operating, Inc.**

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

**Belco Energy, L. P.**

By: Belco Operating Corp., General Partner

By: \_\_\_\_\_  
Gary Byrd  
Vice-President - Land

**Union Pacific Resources Company**

By: \_\_\_\_\_  
Attorney-In-Fact

**Swift Energy Company**

By: \_\_\_\_\_  
President

**Chesapeake Investments, an Oklahoma  
Limited Partnership**

By:   
Aubrey K. McClendon, Sole General Partner

**TLW Investments Inc.**

By:   
Tom L. Ward, President



shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

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**Chesapeake Operating, Inc.**

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

**Belco Energy I L. P.**

By: Belco Energy Corp.  
Its General Partner

By: Gary Byrd \_\_\_\_\_  
Gary Byrd  
Vice-President - Land

**Union Pacific Resources Company**

By: \_\_\_\_\_  
Attorney-In-Fact

**Swift Energy Company**

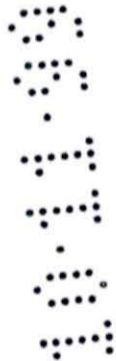
By: \_\_\_\_\_  
President

**Chesapeake Investments, an Oklahoma Limited Partnership**

By: \_\_\_\_\_  
Aubrey K. McClendon, Sole General Partner

**TLW Investments Inc.**

By: \_\_\_\_\_  
Tom L. Ward, President



ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

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

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

**Chesapeake Operating, Inc.**

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

**Belco Energy, L. P.**

By: Belco Operating Corp., General Partner  
By: \_\_\_\_\_  
Gary Byrd  
Vice-President - Land

**Union Pacific Resources Company**

By: \_\_\_\_\_  
*[Handwritten Signature]*  
Attorney-In-Fact *[Handwritten Initials]*

**Swift Energy Company**

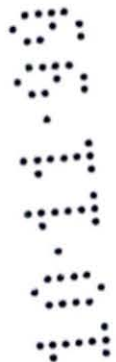
By: \_\_\_\_\_  
President

**Chesapeake Investments, an Oklahoma Limited Partnership**

By: \_\_\_\_\_  
Aubrey K. McClendon, Sole General Partner

**TLW Investments Inc.**

By: \_\_\_\_\_  
Tom L. Ward, President



ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

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

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

**Chesapeake Operating, Inc.**

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

**Belco Energy, L. P.**

By: Belco Operating Corp., General Partner

By: \_\_\_\_\_  
Gary Byrd  
Vice-President - Land

**Union Pacific Resources Company**

By: \_\_\_\_\_  
Attorney-In-Fact

**Swift Energy Company**

By: *James M. Kitterman*  
James M. Kitterman **President**  
Senior Vice President-Operations

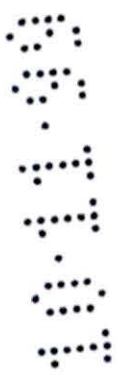
*RDK  
CW  
MB*

**Chesapeake Investments, an Oklahoma Limited Partnership**

By: \_\_\_\_\_  
Aubrey K. McClendon, Sole General Partner

**TLW Investments Inc.**

By: \_\_\_\_\_  
Tom L. Ward, President

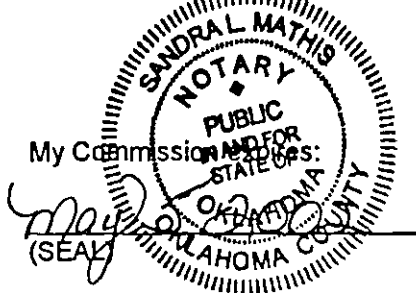


ACKNOWLEDGMENTS

STATE OF OKLAHOMA        )  
  ) ss:  
COUNTY OF OKLAHOMA    )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 18<sup>th</sup> day of May, 1999, personally appeared Henry J. Hood, Senior Vice-President - Land and Legal of Chesapeake Operating, Inc., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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



Sandra Mathis  
Notary Public

STATE OF TEXAS        )  
  ) ss:  
COUNTY OF HARRIS    )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared Gary Byrd, Vice President - Land of Belco Operating Corp., a Delaware corporation, acting as General Partner of Belco Energy LP., a Delaware Limited Partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)

STATE OF TEXAS        )  
  ) ss:  
COUNTY OF TARRANT    )

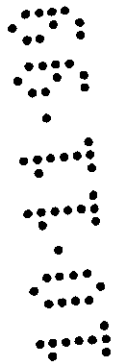
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared \_\_\_\_\_, as attorney-in-fact for Union Pacific Resources Company, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)



ACKNOWLEDGMENTS

STATE OF OKLAHOMA )
) ss:
COUNTY OF OKLAHOMA )

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

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

Notary Public

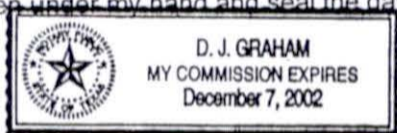
My Commission expires:

(SEAL)

STATE OF TEXAS )
) ss:
COUNTY OF DALLAS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 24th day of June, 1999, personally appeared Gary Byrd, Vice President - Land of Belco Energy Corp., a Nevada corporation, successor by merger to Belco Operating Corp., a Delaware corporation, acting as General Partner of Belco Energy I L.P., a Delaware Limited Partnership, formerly known as Belco Energy L.P., a Delaware Limited Partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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



[Signature]
Notary Public

My Commission expires:

(SEAL)

STATE OF TEXAS )
) ss:
COUNTY OF TARRANT )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_ day of \_\_\_, 1998, personally appeared \_\_\_, as attorney-in-fact for Union Pacific Resources Company, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

Notary Public

My Commission expires:

(SEAL)



ACKNOWLEDGMENTS

STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

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

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

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)

STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared Gary Byrd, Vice President - Land of **Belco Operating Corp.**, a Delaware corporation, acting as General Partner of **Belco Energy L.P.**, a Delaware Limited Partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public


My Commission expires:

\_\_\_\_\_  
(SEAL)

STATE OF TEXAS )  
 ) ss:  
COUNTY OF TARRANT )

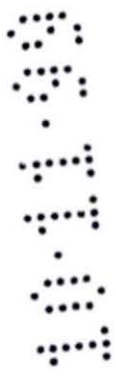
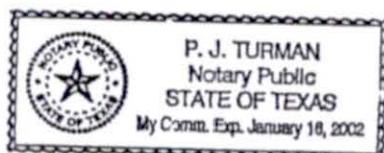
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 11th day of June, 1999, personally appeared Andrew C. Rudderow as attorney-in-fact for **Union Pacific Resources Company**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

  
\_\_\_\_\_  
Notary Public

My Commission expires:

1-16-2002  
(SEAL)



STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

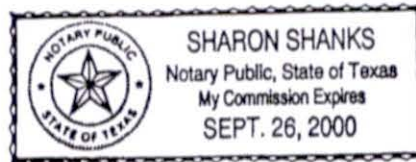
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 16<sup>th</sup> day of June, 1998, personally appeared James M. Kitterman, as <sup>Sr. Vice</sup> President-Operation of **Swift Energy Company**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

Sharon Shanks  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)



STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared Aubrey K. McClendon, Sole General Partner of **Chesapeake Investments**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such partnership, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)

STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared Tom L. Ward, President of **TLW Investments Inc.**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)

STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared \_\_\_\_\_, as President of **Swift Energy Company**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_  
(SEAL)

STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 24<sup>th</sup> day of May, 1999, personally appeared Aubrey K. McClendon, Sole General Partner of **Chesapeake Investments**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such partnership, for the uses and purposes therein set forth.

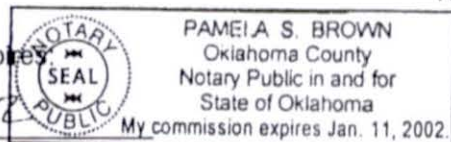
Given under my hand and seal the day and year last above written.

Pamela Brown  
Notary Public

My Commission expires:

1-11-02

(SEAL)



STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 24<sup>th</sup> day of May, 1999, personally appeared Tom L. Ward, President of **TLW Investments Inc.**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

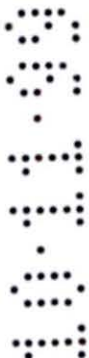
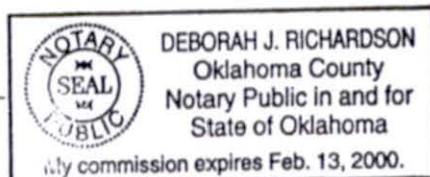
Given under my hand and seal the day and year last above written.

Deborah J. Richardson  
Notary Public

My Commission expires:

2-13-00

(SEAL)

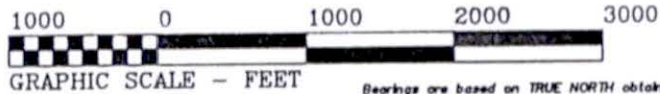


10.11.99

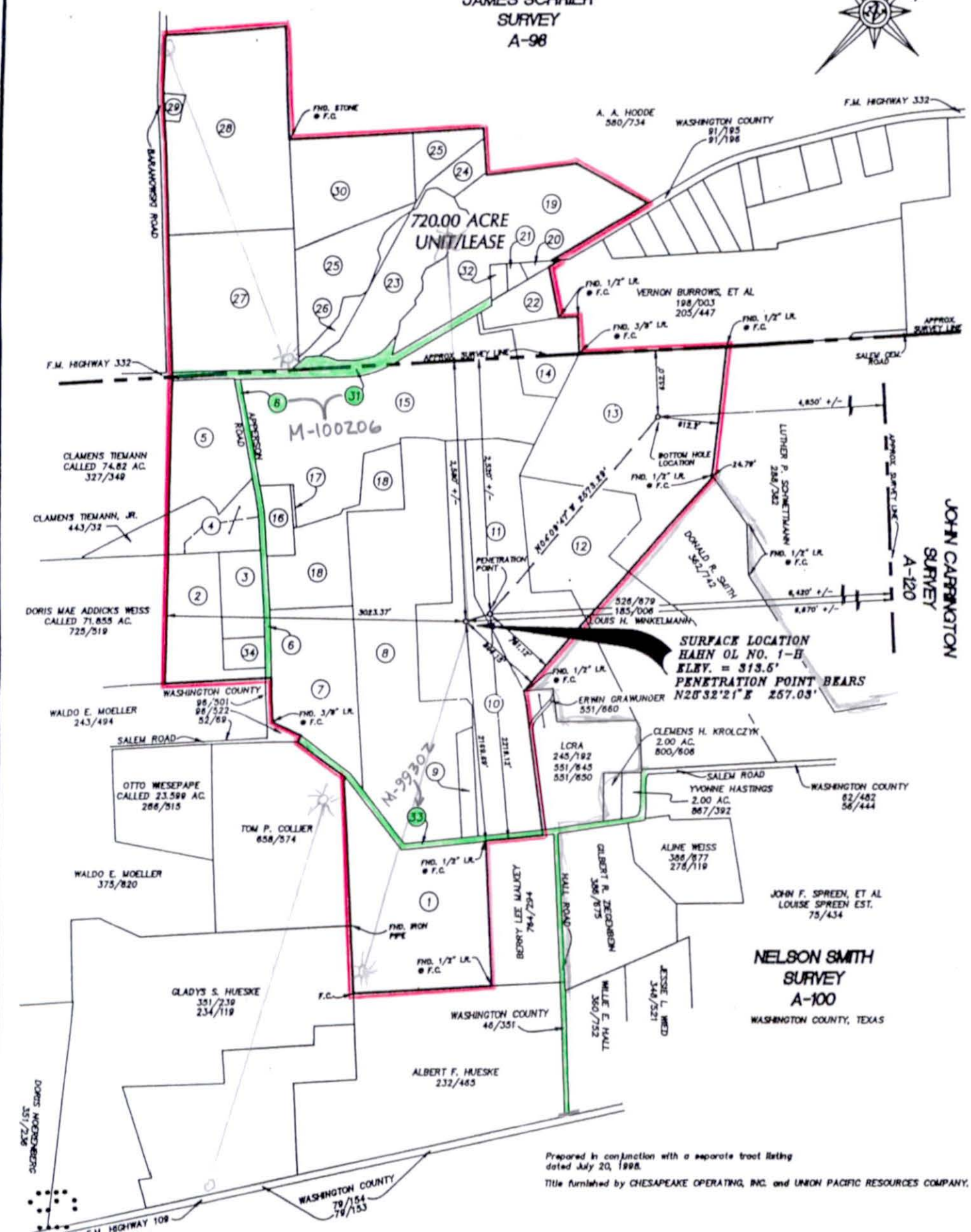
## EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN AMENDED DECLARATION OF POOLED UNIT DATED EFFECTIVE AS OF APRIL 25, 1998, INsofar AND ONLY INsofar AS THE LEASES PERTAIN TO THE HAHN #1-H

| LESSOR   | LESSEE                          | LEASE NUMBER       | LEASE DATE                                     | RECORDING VOL/PAGE                    | LEASE ACRES | SURVEY ABSTRACT NO. | ADDITIONAL LEGAL DESCRIPTION, as referenced in said lease recorded in Washington County, Texas |
|--|---------------------------------|--------------------|--|---------------------------------------|-------------|---------------------|--|
| Addicks, Leonard Earl, married, dealing in separate property       | Chesapeake Operating, Inc.      | TX1671286-001      | 04/14/98                                       | Re-recorded<br>899/679 -<br>892/705   | 11.5000     | A-100               | Nelson Smith Survey  |
| Burger, Charlie and wife, Mildred L. Burger and Shirley Ann Hueske | Union Pacific Resources Company |                    | 07/16/98                                       | 899/488                               | 23.2770     | A-98                | James Schrier Survey   |
| Coles, Gloria L.   | Chesapeake Operating, Inc.      | TX1671311-000      | 01/15/98                                       | 883/652                               | 27.7620     | A-100               | Nelson Smith Survey  |
| Dietzmann, Barbara J.  | Chesapeake Operating, Inc.      | TX1670480-000      | 10/13/94                                       | 760/555                               | 67.2800     | A-100               | Nelson Smith Survey  |
| Eilers, Tommy Joe and wife, Deborah S. Eilers                      | Union Pacific Resources Company | TX1671377-002      | 10/24/97                                       | 876/526                               | 10.0000     | A-100/A-98          | Nelson Smith Survey and James Schrier Survey   |
| Free, Woodrow, and wife, Joan Free                                 | Chesapeake Operating, Inc.      | TX1670492-000      | 10/13/94                                       | 770/211                               | 47.9600     | A-100               | Nelson Smith Survey  |
| Grawunder, Erwin A., and wife, Erna Grawunder                      | Chesapeake Operating, Inc.      | TX1670466-000      | 10/12/94                                       | 791/227                               | 46.9280     | A-100               | Nelson Smith Survey  |
| Grimm, Billy Ray, and Joy Dell Grimm                               | Chesapeake Operating, Inc.      | TX1670600-000      | 10/21/94                                       | 762/031                               | 4.0830      | A-100               | Nelson Smith Survey  |
| Hahn, Elda, a widow, a/k/a Elda A. Hahn                            | Chesapeake Operating, Inc.      | L15043<br>T95-0751 | 01/18/95                                       | 781/221                               | 45.5300     | A-100               | Nelson Smith Survey  |
| Henske, Elmo J., et ux, Erna L. Henske                             | Union Pacific Resources Company | TX1671331-000      | Memorandum dated 9/4/96<br>Lease dated 11/3/93 | Memorandum 835/819 -<br>Lease 721/300 | 39.8380     | A-98                | James Schrier Survey   |
| Hueske, Arthur E. and wife, Shirley A. Hueske                      | Union Pacific Resources Company |                    | 07/16/98                                       | 899/500                               | 25.0000     | A-98                | James Schrier Survey   |
| Hueske, Hildegard, a widow   | Union Pacific Resources Company |                    | 07/16/98                                       | 8994/96                               | 26.5000     | A-98                | James Schrier Survey   |



**JAMES SCHRIER SURVEY A-98**



Prepared in conjunction with a separate tract listing dated July 20, 1998.  
Title furnished by CHESAPEAKE OPERATING, INC. and UNION PACIFIC RESOURCES COMPANY.

**NELSON SMITH SURVEY A-100**  
WASHINGTON COUNTY, TEXAS

**AS DRILLED PLAT CHESAPEAKE OPERATING, INC. HAHN OL NO. 1-H**

NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98  
WASHINGTON COUNTY, TEXAS

HAHN OL NO. 1-H UNIT surface location is approximately 4.2 miles southwest of Brenham, Washington County, Texas.  
SURFACE LOC. = LATITUDE 30° 06' 42" N \* LONGITUDE 96° 25' 52" W  
BOTTOM HOLE LOC. = LATITUDE 30° 07' 10" N \* LONGITUDE 96° 25' 53" W  
SURFACE LOCATION is 2,580' +/- from the northwest line and 6,670' +/- from the northeast line of the Nelson Smith Survey, A-100, Washington County, Texas.

THE STATE OF TEXAS  
COUNTY OF WASHINGTON

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

Dated this the 20th day of July, 1998.  
Donald W. Lampe  
R.P.L.S. No. 1732

**DONALD W. LAMPE**  
REGISTERED PROFESSIONAL LAND SURVEYING  
1408 WEST MAIN STREET  
P. O. BOX 2037  
BRENHAM, TEXAS 77834  
(409) 836-6677 \* FAX (409) 836-1177  
W.O. 1857 1857RRCS.DWG 1857CHA.CRD

EXHIBIT "B"

**CHESAPEAKE OPERATING, INC.**  
**HAHN OL NO. 1-H UNIT**  
**720.00 ACRES**  
**NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98,**  
**WASHINGTON COUNTY, TEXAS**

Being 720.00 Acres of land, lying and being situated in Washington County, Texas, part of the Nelson Smith Survey, A-100 and part of the James Schrier Survey, A-98, comprised of the following mineral tracts listed below:

| <u>TRACT</u> | <u>MINERAL OWNER(S)</u>                | <u>ACREAGE</u> | <u>VOLUME/PAGE =</u>                       |
|--------------|--|----------------|--|
| 1            | Joan E. Free                           | 49.21 Acres    | 624/590                                    |
| 2            | Doris Mae Addicks Weiss                | 17.13 Acres    | 725/519                                    |
| 3            | Mary K. Wehmeyer, et al                | 8.48 Acres     | 666/844                                    |
| 4            | Clamens Tiemann, Jr., et ux            | 10.87 Acres    | 443/032, 303/517                           |
| 5            | Clamens Tiemann, et ux                 | 20.62 Acres    | 327/349                                    |
| 6            | Washington County/State of Texas       | 4.11 Acres     | 96/501, 96/502                             |
| 7            | Gloria L. Coles                        | 27.74 Acres    | 259/474                                    |
| 8            | Waldo E. Moeller                       | 72.81 Acres    | 345/763                                    |
| 9            | Billy Ray Grimm                        | 4.09 Acres     | 335/971                                    |
| 10           | Elda Hahn                              | 44.89 Acres    | 309/903                                    |
| 11           | Erwin A. Grawunder                     | 33.98 Acres    | 196/146                                    |
| 12           | Louis H. Winkelmann, et al             | 26.40 Acres    | 526/679, 185/006                           |
| 13           | Donald Roy Smith                       | 59.71 Acres    | 362/742                                    |
| 14           | Clamens Tiemann, et al                 | 10.00 Acres    | 487/398                                    |
| 15           | Ora Nell Tiemann, et vir               | 69.67 Acres    | 572/687, 463/670, 327/349                  |
| 16           | Darlene Ann Tiemann                    | 4.75 Acres     | 322/719                                    |
| 17           | David Wiegand                          | 0.32 Acre      | 669/540                                    |
| 18           | Marian Wehmeyer                        | 20.58 Acres    | 293/358, 371/326, 331/1007                 |
| 19           | Elmo J. Henske, et ux                  | 40.00 Acres    | 449/760, 506/559                           |
| 20           | Paul Edward Kasprovicz, et al          | 0.78 Acre      | 447/136                                    |
| 21           | Terry Oertli, et al                    | 0.85 Acre      | 443/465                                    |
| 22           | Jimmie Dale Tiemann, et ux             | 6.07 Acres     | 318/377                                    |
| 23           | Charlie Berger, et al                  | 19.50 Acres    | 477/005                                    |
| 24           | Charlie Berger, et ux                  | 3.85 Acres     | 298/571                                    |
| 25           | Hildagard Hueske                       | 21.92 Acres    | 229/189                                    |
| 26           | Hildagard Hueske, et al                | 3.91 Acres     | 298/569                                    |
| 27           | Clamens Tiemann, et ux                 | 38.85 Acres    | 201/587, 180/468                           |
| 28           | Thomas E. McGraw, et al                | 56.02 Acres    | 239/055                                    |
| 29           | Pleasant Grove United Methodist Church | 1.19 Acre      | 005/613                                    |
| 30           | Arthur E. Hueske, et ux                | 25.10 Acres    | 274/239                                    |
| 31           | Washington County/State of Texas       | 8.47 Acres     | 91/072, 91/230, 91/232, 201/563, & 201/587 |
| 32           | Robert H. Storms, et ux                | 1.17 Acre      | 673/182                                    |
| 33           | Washington County/State of Texas       | 3.97 Acres     | 96/522, 62/482, 56/444, 96/501, & 46/351   |
| 34           | Rocky Ullrich, et al                   | 2.99 Acres     | 659/789                                    |

And being more particularly described as follows:

BEGINNING at a 1/2" iron rod found at a fence corner for the north corner of said Tract 13, included herein, being in the northwest line of the Nelson Smith Survey, A-100, common with the southeast line of the James Schrier Survey, A-98, and being the west corner and of the Luther P. Schwettmann tract, recorded in Volume 288, Page 382, Deed Records of Washington County, Texas (288/382, D.R.W.C., Tx.);

THENCE, along a northeast line of Tract 13, common with a southwest line of said Schwettmann tract, S 38° 23' 51" E, 1178.20 feet; S 34° 41' 41" E, 74.35 feet, to a 1/2" iron rod found at a fence corner; and S 80° 09' 58" E, 24.79 feet, to an exterior corner hereof on a north line of the Donald R. Smith tract (362/742, D.R.W.C., Tx.), common with a south line of said Schwettmann tract;

THENCE, along east lines of Tracts 13, 12, and 11, severing said Smith tract, the Louis H. Winkelmann tract (185/006, D.R.W.C., Tx.), and the Erwin A. Grawunder tract (196/146, D.R.W.C., Tx.), S 03° 09' 17" E, 2847.54 feet, to a 1/2" iron rod found at a fence corner for the west corner of the Lower Colorado River Authority tract (L.C.R.A.) (245/192, D.R.W.C., Tx.; 551/645, O.R.W.C., Tx.; and 551/650, O.R.W.C., Tx.);

CHESAPEAKE OPERATING, INC.  
 HAHN OL NO. 1-H UNIT  
 720.00 ACRES  
 NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98,  
 WASHINGTON COUNTY, TEXAS

Being 720.00 Acres of land, lying and being situated in Washington County, Texas, part of the Nelson Smith Survey, A-100 and part of the James Schrier Survey, A-98, comprised of the following mineral tracts listed below:

| TRACT | MINERAL OWNER(S)                       | ACREAGE     | VOLUME/PAGE *                                 |
|-------|--|-------------|---|
| 1     | Joan E. Free                           | 49.21 Acres | 624/590                                       |
| 2     | Doris Mae Addicks Weiss                | 17.13 Acres | 725/519                                       |
| 3     | Mary K. Wehmeyer, et al                | 8.48 Acres  | 666/844                                       |
| 4     | Clamens Tiemann, Jr., et ux            | 10.87 Acres | 443/032, 303/517                              |
| 5     | Clamens Tiemann, et ux                 | 20.62 Acres | 327/349                                       |
| 6     | Washington County/State of Texas       | 4.11 Acres  | 96/501, 96/502                                |
| 7     | Gloria L. Coles                        | 27.74 Acres | 259/474                                       |
| 8     | Waldo E. Moeller                       | 72.81 Acres | 345/763                                       |
| 9     | Billy Ray Grimm                        | 4.09 Acres  | 335/971                                       |
| 10    | Elda Hahn                              | 44.89 Acres | 309/903                                       |
| 11    | Erwin A. Grawunder                     | 33.98 Acres | 196/146                                       |
| 12    | Louis H. Winkelmann, et al             | 26.40 Acres | 526/679, 185/006                              |
| 13    | Donald Ray Smith                       | 59.71 Acres | 362/742                                       |
| 14    | Clamens Tiemann, et al                 | 10.00 Acres | 487/398                                       |
| 15    | Ora Nell Tiemann, et vir               | 69.67 Acres | 572/687, 463/670, 327/349                     |
| 16    | Darlene Ann Tiemann                    | 4.75 Acres  | 322/719                                       |
| 17    | David Wieghat                          | 0.32 Acre   | 669/540                                       |
| 18    | Marian Wehmeyer                        | 20.58 Acres | 293/358, 371/326, 331/1007                    |
| 19    | Elmo J. Henske, et ux                  | 40.00 Acres | 449/760, 506/559                              |
| 20    | Paul Edward Kasprovicz, et al          | 0.78 Acre   | 447/136                                       |
| 21    | Terry Oertli, et al                    | 0.85 Acre   | 443/465                                       |
| 22    | Jimmie Dale Tiemann, et ux             | 6.07 Acres  | 318/377                                       |
| 23    | Charlie Berger, et al                  | 19.50 Acres | 477/005                                       |
| 24    | Charlie Berger, et ux                  | 3.85 Acres  | 298/571                                       |
| 25    | Hildegard Hueske                       | 21.92 Acres | 229/189                                       |
| 26    | Hildegard Hueske, et al                | 3.91 Acres  | 298/569                                       |
| 27    | Clamens Tiemann, et ux                 | 38.85 Acres | 201/587, 180/468                              |
| 28    | Thomas E. McGraw, et al                | 56.02 Acres | 239/055                                       |
| 29    | Pleasant Grove United Methodist Church | 1.19 Acre   | 005/613                                       |
| 30    | Arthur E. Hueske, et ux                | 25.10 Acres | 274/239                                       |
| 31    | Washington County/State of Texas       | 8.47 Acres  | 91/072, 91/230, 91/232,<br>201/563, & 201/587 |
| 32    | Robert H. Storms, et ux                | 1.17 Acre   | 673/182                                       |
| 33    | Washington County/State of Texas       | 3.97 Acres  | 96/522, 62/482, 56/444,<br>96/501, & 46/351   |
| 34    | Rocky Ullrich, et al                   | 2.99 Acres  | 659/789                                       |

And being more particularly described as follows:

BEGINNING at a 1/2" iron rod found at a fence corner for the north corner of said Tract 13, included herein, being in the northwest line of the Nelson Smith Survey, A-100, common with the southeast line of the James Schrier Survey, A-98, and being the west corner and of the Luther P. Schwettmann tract, recorded in Volume 288, Page 382, Deed Records of Washington County, Texas (288/382, D.R.W.C., Tx.);

THENCE, along a northeast line of Tract 13, common with a southwest line of said Schwettmann tract, S 38° 23' 51" E, 1178.20 feet; S 34° 41' 41" E, 74.35 feet, to a 1/2" iron rod found at a fence corner; and S 80° 09' 58" E, 24.79 feet, to an exterior corner hereof on a north line of the Donald R. Smith tract (362/742, D.R.W.C., Tx.), common with a south line of said Schwettmann tract;

THENCE, along east lines of Tracts 13, 12, and 11, severing said Smith tract, the Louis H. Winkelmann tract (185/006, D.R.W.C., Tx.), and the Erwin A. Grawunder tract (196/146, D.R.W.C., Tx.), S 03° 09' 17" E, 2847.54 feet, to a 1/2" iron rod found at a fence corner for the west corner of the Lower Colorado River Authority tract (L.C.R.A.) (245/192, D.R.W.C., Tx.; 551/645, O.R.W.C., Tx.; and 551/650, O.R.W.C., Tx.);

CHESAPEAKE OPERATING, INC.  
HAHN OL NO. 1-H UNIT

THENCE, along northeast lines of Tract 10, common with the southwest lines of said L.C.R.A. tract and of a Erwin Grawunder tract (551/660, O.R.W.C., Tx.), as follows:

S 58° 05' 03" E, 109.23 feet, to a 1/2" iron rod found at a fence corner; and

S 52° 57' 18" E, at 1275.70 feet pass a 1/2" iron rod found on the northwest margin of Salem Road for the north corner of said Tract 33, at a total distance of 1326.41 feet, to the east corner of Tract 33 in a northwest line of the Berry Lee Malkey tract (764/294, O.R.W.C., Tx.);

THENCE, along a southeast line of Tract 33, S 39° 39' 14" W, 577.02 feet, to a 1/2" iron rod found at a fence corner for the north corner of said Tract 1 in the southeast line of Tract 33;

THENCE, along the northeast line of Tract 1, S 47° 45' 21" E, 1414.17 feet, to a 1/2" iron rod found at a fence corner for the east corner of said Tract 1 in a northwest line of the Albert F. Hueske tract (232/465, D.R.W.C., Tx.);

THENCE, along the southeast line of Tract 1, S 42° 06' 12" W, 1399.81 feet, to a fence corner for the south corner of Tract 1 in a northeast line of the Gladys S. Hueske tract (351/239 & 234/119, D.R.W.C., Tx.), common with the upper west corner of said Albert F. Hueske tract for a south corner hereof;

THENCE, along the southwest lines of Tract 1, as follows:

N 47° 54' 30" W, 653.70 feet, to an iron pipe found;

N 47° 48' 03" W, 783.75 feet;

N 48° 36' 03" W, 134.00 feet;

N 48° 20' 03" W, 492.71 feet; and

N 37° 01' 03" W, 53.34 feet, to the west corner of Tract 1 in a south line of Tract 33;

THENCE, S 80° 55' 09" W, 594.00 feet, to a 1/2" iron rod found on a south margin of Salem Road for a southwest corner of Tract 33;

THENCE, N 15° 37' 51" W, 72.46 feet, to the northwest corner of Tract 33 in a south line of Tract 7;

THENCE, S 69° 20' 26" W, 318.70 feet, to a 3/8" iron rod found at a fence corner for the southwest corner of Tract 7 in the northeast margin of Apperson Road;

THENCE, along the southwest line of said Tract 7, N 47° 04' 28" W, 438.87 feet, to the east corner of Tract 6 in the northeast margin of Apperson Road;

THENCE, along the southeast line of said Tracts 6 and 2, S 42° 23' 23" W, 1080.54 feet, to the south corner of said Tract 2 in the northwest line of the Waldo E. Moeller tract (243/494, D.R.W.C., Tx.);

THENCE, along the southwest lines of said Tracts 2, 4, and 5, N 43° 38' 12" W, 3000.03 feet, to the south corner of Tract 31 on the southeast margin of F.M. Highway 332;

THENCE, along the southwest line of said Tract 31, N 46° 53' 29" W, 80.01 feet, to the west corner of Tract 31, common with the south corner of said Tract 27 on the northwest margin of F.M. Highway 332;

THENCE, along southwest lines of said Tracts 27, 28, and 29, as follows:

N 47° 15' 13" W, 2075.44 feet;

N 48° 13' 38" W, 574.53 feet;

N 46° 14' 56" W, 140.57 feet;

N 44° 30' 04" W, 470.54 feet; and

N 31° 54' 03" W, 36.44 feet, to the west corner of Tract 28 and of this unit tract;

THENCE, along northwest lines of Tract 28, as follows:

N 42° 35' 30" E, 498.18 feet; and

N 40° 51' 54" E, 721.29 feet, to the north corner of Tract 28;

THENCE, along the northeast line of Tract 28, S 47° 47' 17" E, 1124.79 feet, to a stone found at a fence corner for the west corner of said Tract 30;

CHESAPEAKE OPERATING, INC.  
HAHN OL NO. 1-H UNIT

THENCE, along the northwest lines of said Tracts 30 and 25, as follows:  
N 42° 24' 35" E, 810.16 feet; and  
N 42° 04' 24" E, 1152.84 feet, to the north corner of Tract 25 and an interior corner of the A. A. Hodde tract (580/734, O.R.W.C., Tx.);

THENCE, along the perimeter of said Hodde tract, as follows:  
S 48° 52' 15" E, 438.52 feet;  
N 08° 03' 00" E, 2.57 feet;  
S 47° 50' 28" E, 28.70 feet;  
N 38° 11' 38" E, 906.67 feet; and  
N 73° 15' 09" E, 820.85 feet, to northeast corner of said Tract 19 on a west margin of F.M. Highway 332;

THENCE, along east lines of Tract 19, common with said highway margin, as follows:  
S 15° 26' 36" W, 192.72 feet;  
S 16° 07' 36" W, 565.44 feet; and  
S 15° 41' 26" W, 355.53 feet, to an exterior corner hereof in the northwest line of said Tract 20;

THENCE, along the northwest line of Tract 20, N 41° 40' 35" E, 91.29 feet, to the north corner of Tract 20;

THENCE, along the east line of Tract 20, S 15° 41' 26" W, 132.13 feet, to the north corner of said Tract 22 in the east line of Tract 20;

THENCE, along the northeast line of Tract 22, S 57° 13' 05" E, 496.80 feet, to a 1/2" iron rod found at a fence corner for the east corner of Tract 22 in a northwest line of said Tract 14;

THENCE, along a northwest line of Tract 14, N 41° 57' 17" E, 192.81 feet, to a 1/2" iron rod found at a fence corner for the north corner of Tract 14;

THENCE, along a northeast line of Tract 14, S 47° 35' 26" E, 361.47 feet, to a 3/8" iron rod found at a fence for the west corner of Tract 13 in the common line of the James Schrier Survey, A-98 and the Nelson Smith Survey, A-100;

THENCE, along the northwest line of Tract 13, N 42° 39' 00" E, 1493.80 feet, to the PLACE OF BEGINNING, containing 720.00 acres of land.

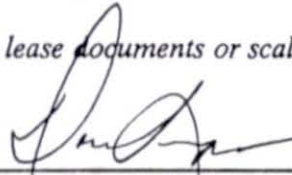
Bearings are based on True North obtained by GPS observations.

\* All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, Texas. Title furnished by Chesapeake Operating, Inc. and Union Pacific Resources Company.

Prepared in conjunction with a separate survey plat and tract listing prepared by Donald W. Lampe Professional Land Surveyors, dated July 20, 1998.

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.

Dated this 4th day of August, 1998.



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

1657-98  
1657DES2

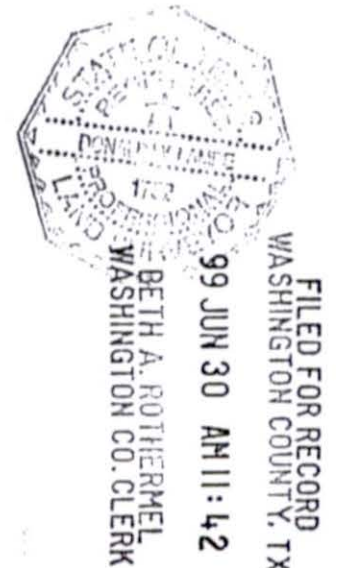
STATE OF TEXAS  
COUNTY OF WASHINGTON

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

JUL 01 1999 Page 3 of 3



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

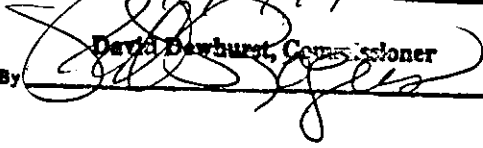


8

File No. MF099302

Amendment to  
Book 2 Unit

Date Filed 10/14/99

By   
David Barhurst, Commissioner

10.17.99

# DO NOT DESTROY

## UNIT AGREEMENT MEMO

Unit No. 2925Operator Chesapeake OperatingUnit Name Weiss UnitCounty WashingtonEffective Date 2/24/99Unitized for: Oil  Gas  Oil & Gas 

1. M.F. No. ~~88~~ 100655 ✓  
Area \_\_\_\_\_ Tr. 36  
Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_  
3.44/640 x 1/6 = .00098  
.00490 x .166667 = .00081667

2. M.F. No. 100206 99302  
Area \_\_\_\_\_ Tr. 35  
Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_  
6.66/640 x 1/6 = .173334%  
.01040 x .166667 = .00173334

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

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

### REMARKS:

HWY - ROW

.004739

|   |                      |
|---|----------------------|
| Prepared by: <u>Marc A. Fuentes</u>     | Date <u>10-10-00</u> |
| Map & GIS updated by:                   | Date                 |
| Keyed into database by: <u>M. Silva</u> | Date <u>11-2-00</u>  |

DECLARATION OF POOLED UNIT  
WEISS UNIT

3716

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

This Declaration of Pooled Unit is executed to be effective as of February 24, 1999, by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

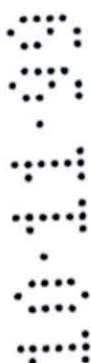
WHEREAS, each of the Leases authorizes the lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority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

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

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

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

2.     Description of Unit Area. The Unit Area (herein so called) shall consist of 640.00 acres, more or less, being the lands which are more particularly described and depicted on Exhibit "B", which is attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying between the top of the Austin Chalk formation and the base of the Austin Chalk formation, **INSOFAR AND ONLY INSOFAR** as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well. This Declaration of Pooled Unit



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

3. Unit Name. The pooled unit created hereby shall be known as the "**Weiss Unit**".
4. Additional Interest; Consent. In the event the undersigned own any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the pooled unit created hereby is necessary, such interest or interests are hereby pooled and combined into said pooled unit as hereby declared without the necessity of specifically enumerating such interests or the specific lands covered by such interests or in which they are held.
5. Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration of Pooled Unit, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the pooled unit described herein, including without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder or produced therefrom, all in accordance with the terms and provisions of the Leases; (iii) to include in the pooled unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and (iv) to include in the pooled unit described herein or in any amendments hereto, full or undivided interests in the Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests.
6. Dissolution of Unit. The pooled unit formed hereby may be dissolved by Chesapeake Operating, Inc., acting as the Operator of the pooled unit, at any time by an instrument filed for record in Washington County, Texas, after any failure to establish unit production or after cessation of operations upon the pooled unit.
7. Multiple Originals. This instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may not be ratified, consented to or approved by any party, individual, person or entity except upon the express written consent of all the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

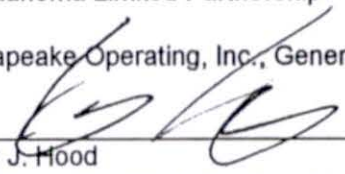
8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

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

**Chesapeake Operating, Inc.**

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

**Chesapeake Exploration Limited Partnership,  
an Oklahoma Limited Partnership**

By: Chesapeake Operating, Inc., General Partner  
By:   
Henry J. Hood  
Senior Vice President - Land and Legal *BS*

**Belco Energy, L. P.**

By: Belco Operating Corp., General Partner  
By: \_\_\_\_\_  
Gary Byrd  
Vice President - Land

**Union Pacific Resources Company**

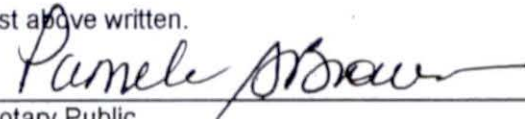
By: \_\_\_\_\_  
Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

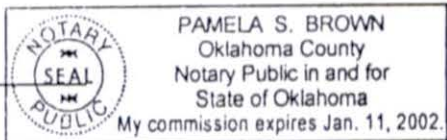
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 21<sup>st</sup> day of June, 1999, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

  
Notary Public

My Commission Expires:

1-11-02



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

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

**Chesapeake Operating, Inc.**

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

**Chesapeake Exploration Limited Partnership,  
an Oklahoma Limited Partnership**

By: Chesapeake Operating, Inc., General Partner

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

**Belco Energy I L. P.**

By: Belco Energy Corp.  
Its General Partner

By: \_\_\_\_\_  
Gary Byrd  
Vice-President - Land

**Union Pacific Resources Company**

By: \_\_\_\_\_  
Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF OKLAHOMA        )  
  ) ss:  
COUNTY OF OKLAHOMA    )

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

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

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

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

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

**Chesapeake Operating, Inc.**

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

**Chesapeake Exploration Limited Partnership,  
an Oklahoma Limited Partnership**

By: Chesapeake Operating, Inc., General Partner

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

**Belco Energy, L. P.**

By: Belco Operating Corp., General Partner

By: \_\_\_\_\_  
Gary Byrd  
Vice President - Land

**Union Pacific Resources Company**

By:  \_\_\_\_\_  
Charles R. Traxler <sup>Attorney-in-Fact</sup>

ACKNOWLEDGMENTS

STATE OF OKLAHOMA )  
  ) ss:  
COUNTY OF OKLAHOMA )

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

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

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_



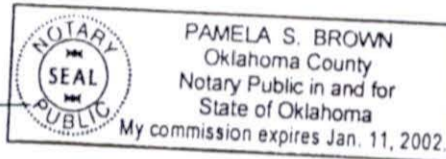
STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 21<sup>st</sup> day of June, 1999, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

Pamela Brown  
Notary Public

My Commission Expires:  
1-11-02



STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of June, 1999, personally appeared Gary Byrd, Vice President - Land of **Belco Operating Corp.**, a Delaware corporation, acting as General Partner of **Belco Energy L.P.**, a Delaware Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:  
\_\_\_\_\_

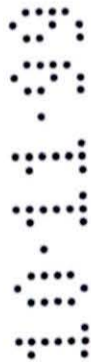
STATE OF TEXAS )  
 ) ss:  
COUNTY OF TARRANT )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of June, 1999, personally appeared \_\_\_\_\_, as attorney-in-fact for **Union Pacific Resources Company**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:  
\_\_\_\_\_



STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

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

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

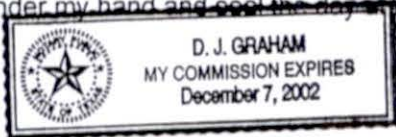
\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

STATE OF TEXAS )  
 ) ss:  
COUNTY OF DALLAS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 24th day of June, 1999, personally appeared Gary Byrd, Vice President - Land of **Belco Energy Corp.**, a Nevada corporation, successor by merger to Belco Operating Corp., a Delaware corporation, acting as General Partner of **Belco Energy I L.P.**, a Delaware Limited Partnership, formerly known as Belco Energy L.P., a Delaware Limited Partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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



[Signature]  
Notary Public

My Commission expires:  
\_\_\_\_\_

STATE OF TEXAS )  
 ) ss:  
COUNTY OF TARRANT )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of June, 1999, personally appeared \_\_\_\_\_, as attorney-in-fact for **Union Pacific Resources Company**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:  
\_\_\_\_\_

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STATE OF OKLAHOMA )  
 ) ss:  
COUNTY OF OKLAHOMA )

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

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

\_\_\_\_\_  
Notary Public

My Commission Expires:  
  
\_\_\_\_\_

STATE OF TEXAS )  
 ) ss:  
COUNTY OF HARRIS )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_\_ day of June, 1999, personally appeared Gary Byrd, Vice President - Land of **Belco Operating Corp.**, a Delaware corporation, acting as General Partner of **Belco Energy L.P.**, a Delaware Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

\_\_\_\_\_  
Notary Public

My Commission expires:  
  
\_\_\_\_\_

STATE OF TEXAS )  
 ) ss:  
COUNTY OF TARRANT )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 28 day of June, 1999, personally appeared Charles L. Irasler, as attorney-in-fact for **Union Pacific Resources Company**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

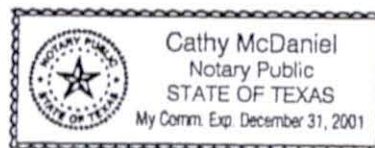
Given under my hand and seal the day and year last above written.

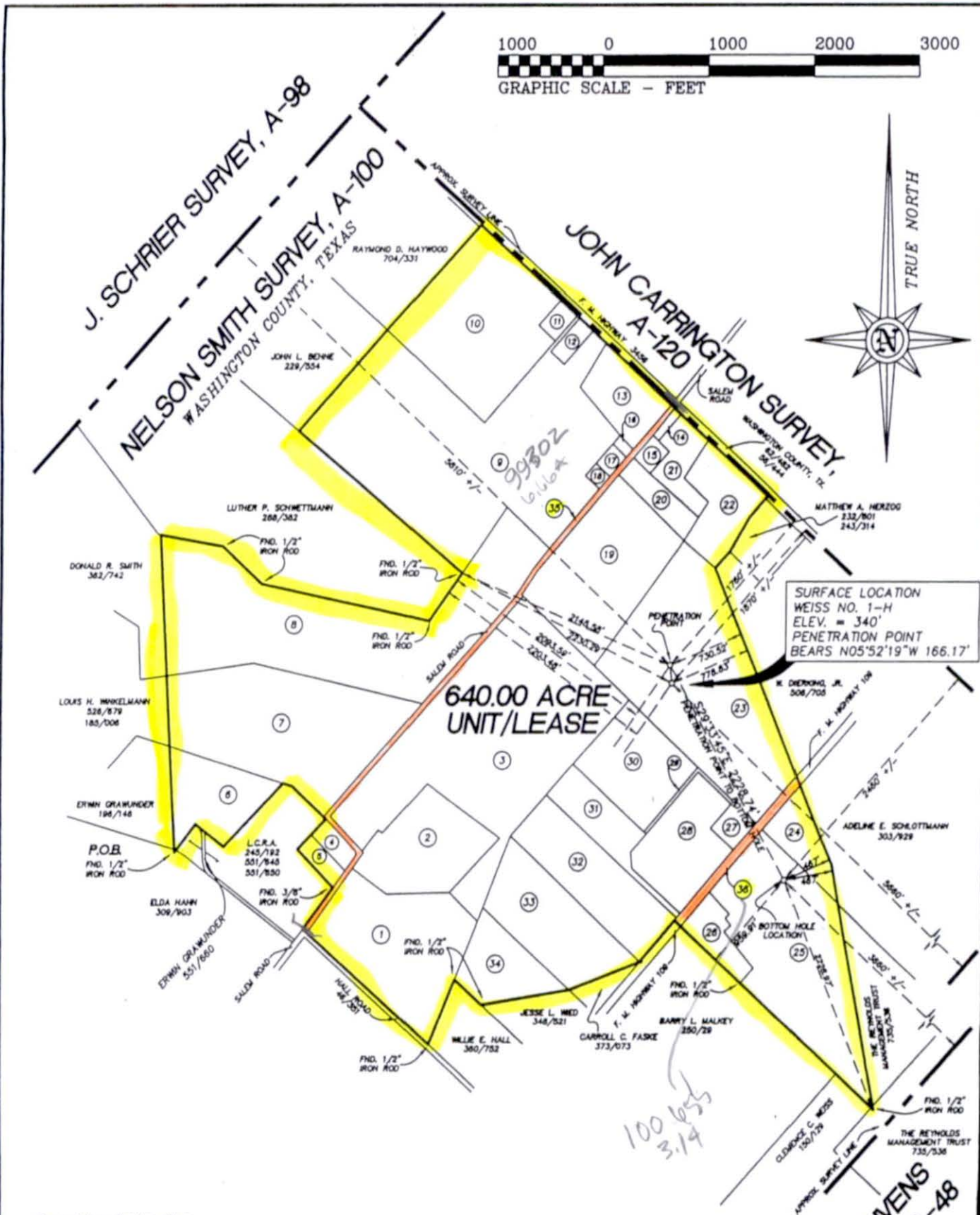
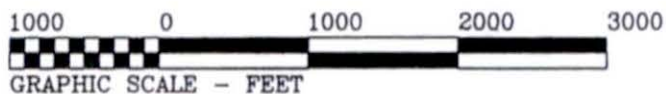
Cathy McDaniel  
Notary Public

My Commission expires:  
  
\_\_\_\_\_

12/31/2001

s:\gffcst\nd\dp\w\weiss.doc





Prepared in conjunction with a separate tract listing and description dated June 14, 1999.

Bearings are based on TRUE NORTH obtained by GPS observations.  
Title furnished by CHESAPEAKE OPERATING, INC.

THE STATE OF TEXAS  
COUNTY OF WASHINGTON

I, Donald W. Lampe, Registered Professional Land Surveyor No. 1732 of the State of Texas, do hereby certify that this plat accurately shows the surface location of the CHESAPEAKE OPERATING, INC. - WEISS NO. 1-H WELL as staked on the ground under my direction during the month of February, 1999.

Dated this the 14th day of June, 1999. *Donald W. Lampe*  
Donald W. Lampe  
R.P.L.S. No. 1732



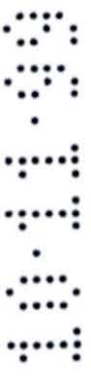
**AS DRILLED PLAT**  
**CHESAPEAKE OPERATING, INC.**  
**WEISS #1-H UNIT**

NELSON SMITH SURVEY, A-100  
WASHINGTON COUNTY, TEXAS

**DONALD W. LAMPE**  
REGISTERED PROFESSIONAL  
LAND SURVEYING

1408 WEST MAIN STREET  
P. O. BOX 2037  
BRENNHAM, TEXAS 77834  
(409) 836-6677 \* FAX (409) 836-1177  
W.O. 1783 1783UNIT.DWG 1720CHES.CRD

WEISS NO. 1-H UNIT surface location is approximately 3.5 miles southwest of Brenham, Washington County, Texas.  
SURFACE LOC. - LATITUDE 30° 06' 56" N \* LONGITUDE 96° 24' 48" W  
BHL - LATITUDE 30° 06' 39" N \* LONGITUDE 96° 24' 35" W



## TRACT LISTING

| <u>TRACT</u> | <u>MINERAL OWNER(S)</u>           | <u>ACREAGE</u> | <u>VOLUME/PAGE *</u>       |
|--------------|-----------------------------------|----------------|----------------------------|
| 1            | Gilbert R. Ziegenbein             | 30.72 Acres    | 386/675                    |
| 2            | Aline Weiss                       | 18.15 Acres    | 386/677, 278/119           |
| 3            | John F. Spreen, et al             | 70.19 Acres    | 075/434                    |
| 4            | Yvonne Hastings                   | 2.00 Acres     | 867/392                    |
| 5            | Clemens H. Krolczyk               | 2.00 Acres     | 800/606                    |
| 6            | Erwin A. Grawunder                | 12.89 Acres    | 196/146                    |
| 7            | Louis H. Winkelmann, et al        | 44.31 Acres    | 526/679, 185/006           |
| 8            | Donald Ray Smith                  | 67.10 Acres    | 362/742                    |
| 9            | John L. Behne                     | 81.38 Acres    | 229/554                    |
| 10           | Raymond D. Haywood                | 35.45 Acres    | 704/331                    |
| 11           | William L. Hunt                   | 1.51 Acres     | 454/695                    |
| 12           | Rodney R. Gandy                   | 1.61 Acres     | 714/768                    |
| 13           | Salem Evangelical Lutheran Church | 9.15 Acres     | 064/320                    |
| 14           | Salem Evangelical Lutheran Church | 0.57 Acre      | 257/528                    |
| 15           | Verbie Weiss                      | 1.33 Acres     | 230/063                    |
| 16           | Scott A. Schroeder                | 0.41 Acre      | 881/275                    |
| 17           | Rebecca V. Schroeder              | 0.96 Acre      | 845/579                    |
| 18           | Constance B. Truxillo             | 0.62 Acre      | 644/143                    |
| 19           | Donald Minzenmayer                | 29.46 Acres    | 728/687                    |
| 20           | Annie M. Fritz, et al             | 4.26 Acres     | 863/382                    |
| 21           | Dolores Koester                   | 5.65 Acres     | 299/344                    |
| 22           | Dee Shupak, et al                 | 10.81 Acres    | 267/255, 251/105           |
| 23           | W. Dierking, Jr.                  | 52.87 Acres    | 506/705                    |
| 24           | Adeline E. Schlottmann            | 6.66 Acres     | 303/929                    |
| 25           | The Reynolds Management Trust     | 40.34 Acres    | 735/536                    |
| 26           | Lyle Meier, Trustee               | 5.09 Acres     | 827/311                    |
| 27           | Fred Cloud, Sr.                   | 2.00 Acres     | 240/354                    |
| 28           | Walter Batdorf                    | 15.39 Acres    | 433/848, 433/851           |
| 29           | Eula Mae Harris, et al            | 1.05 Acres     | 405/581                    |
| 30           | Eula Mae Harris                   | 16.15 Acres    | 405/581                    |
| 31           | Jimmie A. Johnson                 | 9.03 Acres     | 589/702                    |
| 32           | Bennie B. Pieper                  | 19.51 Acres    | 142/475                    |
| 33           | Carroll C. Faske                  | 20.55 Acres    | 373/073                    |
| 34           | Jesse L. Wied                     | 11.03 Acres    | 348/521                    |
| 35           | Washington County/State of Texas  | 6.66 Acres     | 62/482, 56/444             |
| 36           | Washington County/State of Texas  | 3.14 Acres     | 80/573, 80/576<br>& 80/577 |

UNIT TOTAL 640.00 ACRES

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.

\* All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, Texas.

Title furnished by Chesapeake Operating, Inc.

Prepared in conjunction with a separate survey plat and description prepared by Donald W. Lampe Professional Land Surveyors, dated June 14, 1999.

1783/99

1783LIST

CHESAPEAKE OPERATING, INC.  
WEISS #1-H UNIT  
640.00 ACRES  
WASHINGTON COUNTY, TEXAS

Being 640.00 acres of land, lying and being situated in Washington County, Texas, part of the Nelson Smith Survey, A-100, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod found for a southwest corner of this unit tract, being the west corner of a Lower Colorado River Authority tract called 13.22 acres (551/645, O.R.W.C.,Tx.), common with a south corner of the residue of a Erwin A. Grawunder tract (196/146, D.R.W.C.,Tx.), being an interior corner of the Chesapeake Operating, Inc.-Hahn Unit;

THENCE, along a west line hereof, common with an east line of said Hahn Unit, N 03° 08' 56" W, 2847.54 feet, to a northwesterly exterior corner hereof in a north line of the Donald R. Smith tract (362/742, D.R.W.C.,Tx.), common with a south line of the Luther P. Schwettmann tract (288/382, D.R.W.C.,Tx.);

THENCE, around the perimeter of said Schwettmann tract, as follows:

S 80° 09' 37" E, 594.23 feet, to a 1/2" iron rod found;

S 47° 14' 58" E, 501.03 feet, to a 1/2" iron rod found;

S 77° 59' 34" E, 1614.94 feet, to a 1/2" iron rod found;

N 35° 31' 29" E, 530.99 feet, to a 1/2" iron rod found; and

N 50° 27' 44" W, 2000.84 feet, to a westerly exterior corner hereof in the northeast line of said Schwettmann tract, common with the southwest line of the John L. Behne tract (229/554, D.R.W.C.,Tx.);

THENCE, severing said Behne tract and severing the Raymond D. Haywood tract (704/331, O.R.W.C.,Tx.), N 42° 25' 24" E, 2529.33 feet, to the north corner hereof in F. M. Highway 3456;

THENCE, in F. M. Highway 3456, as follows:

S 47° 55' 55" E, 2593.18 feet; S 48° 39' 20" E, 630.21 feet; and S 47° 59' 10" E, 449.47 feet, to an east corner hereof in F. M. Highway 3456;

THENCE, as follows:

S 42° 33' 12" W, 254.06 feet; S 31° 26' 00" W, 357.68 feet; and S 42° 41' 52" W, 202.42 feet, to an interior corner hereof and of the W. Dierking, Jr. tract (506/705, O.R.W.C.,Tx.), being the south corner of the original W. T. Lawler tract (267/255, D.R.W.C.,Tx.);

THENCE, as follows:

S 22° 46' 19" E, 2912.46 feet; and S 10° 01' 40" E, 2231.65 feet, to a 1/2" iron rod found for a south corner of this unit tract and for the south corner of the Reynolds Management Trust tract called 49.20 acres (735/536, O.R.W.C.,Tx.);

THENCE, N 47° 37' 01" W, 1693.23 feet, to a 1/2" iron rod found for the west corner of said tract called 49.20 acres, being the south corner of the Lyle Meier, Trustee tract (827/311, O.R.W.C.,Tx.);

THENCE, along the southwest line of said Meier Trustee tract and crossing F. M. Highway 109, N 47° 42' 15" W, 845.42 feet, to an interior corner hereof in the northwest line of said highway;

THENCE, along the northwest line of said highway, S 41° 32' 47" W, 498.99 feet, to the south corner of the Bennie Pieper residue tract (142/475, D.R.W.C.,Tx.), and S 47° 36' 44" E, 2.50 feet, to the east corner of the C. C. Faske tract (373/073, D.R.W.C.,Tx.);

CHESAPEAKE OPERATING, INC.  
WEISS #1-H UNIT

THENCE, severing said Faske tract, S 69° 01' 00" W, 720.67 feet, to an exterior corner hereof on the southwest line of said Faske tract;

THENCE, severing the Jesse L. Wied tract (348/521, D.R.W.C.,Tx.), S 80° 46' 48" W, 846.02 feet, to a 1/2" iron rod found in the southwest line of same;

THENCE, N 47° 30' 33" W, 342.02 feet, to a 1/2" iron rod found for the west corner of said Wied tract in the southeast line of the Gilbert R. Ziegenbein tract (386/675, D.R.W.C.,Tx.);

THENCE, S 22° 47' 05" W, 645.75 feet, to a 1/2" iron rod found at a fence corner in the northeast margin of Hall Road for the south corner of said Ziegenbein tract;

THENCE, along the northeast margin of Hall Road and crossing Salem Road, N 48° 07' 47" W, 1584.43 feet, to a westerly exterior corner hereof in a northwest margin of Salem Road;

THENCE, along a northwest margin of Salem Road, N 38° 02' 24" E, 462.27 feet, to a 3/8" iron rod found for the south corner of the Clemens H. Krolczyk tract (800/606, O.R.W.C.,Tx.);

THENCE, along the southwest line of same, N 44° 45' 45" W, 479.94 feet, to the west corner of said Krolczyk tract;

THENCE, along the northwest line of said Krolczyk tract and along the northwest line of the Yvonne Hastings tract (867/392, O.R.W.C.,Tx.), N 44° 02' 05" E, 385.90 feet, to the north corner of said Hastings tract in a southwest margin of Salem Road;

THENCE, N 47° 23' 36" W, 30.10 feet, to a 1/2" iron rod found for the east corner of a L.C.R.A. tract called 5.459 acres (245/192, D.R.W.C.,Tx.), and for a northerly exterior corner of a L.C.R.A. tract called 4.21 acres (551/650, O.R.W.C.,Tx.);

THENCE, along the perimeter of said L.C.R.A. tracts, as follows:

N 47° 21' 54" W, 402.86 feet, to a 1/2" iron rod found;

N 72° 53' 54" W, 92.64 feet;

S 44° 17' 26" W, 799.83 feet;

N 52° 14' 09" W, 335.16 feet, to a 1/2" iron rod found; and

S 39° 33' 36" W, 298.48 feet, to the PLACE OF BEGINNING, containing 640.00 acres of land.

Bearings are based on True North obtained by GPS observations.

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat. Prepared by Donald W. Lampe Professional Land Surveyors.

Dated this the 14th day of June, 1999.



STATE OF TEXAS  
COUNTY OF WASHINGTON

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

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

JUL 01 1999



Beth A. Rotharmel  
Beth Rotharmel, County Clerk

FILED FOR RECORD  
WASHINGTON COUNTY, TX  
99 JUN 30 AM 11:42  
BETH A. ROTHARME  
WASHINGTON CO. CLERK

1783-99

1783DESC

10

File No. MF099302

Declaration B Poole Unit

Date Filed: 10/11/99

David Dewhurst, Commissioner

By [Signature]

10.11.99

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 6, 2003

Amber Thomas  
Chesapeake Energy Corp.  
6100 N. Western Ave.  
PO Box 18496  
Oklahoma City, OK 73154-0496

RE: Assignment filing; GLO ID 4461

Dear Ms. Thomas,

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

Partial Assignment of Oil and Gas Leases Without Warranty.  
Executed May 22<sup>nd</sup>, 2003, from Chesapeake Operating, Inc. as  
Assignor, to Chesapeake Exploration Limited Partnership, as  
Assignee. MF100655, MF099302.

Filing fees of \$50.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd  
Mineral Leasing  
Energy Resources  
512-463-6521

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495  
Post Office Box 12873 • Austin, Texas 78711-2873  
512-463-5001 • 800-998-4GLO  
[www.glo.state.tx.us](http://www.glo.state.tx.us)

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## *Exhibit "A"*

---

| <i>GLO ID</i> | <i>County</i> | <i>Lease</i> |
|---------------|---------------|--------------|
| 4461          | Washington    | MF099302     |
| 4461          | Washington    | MF100655     |

---

*Monday, October 06, 2003*

JD # 73-134-319-6



Land Administration

September 4, 2003

Attention: Beverly Boyd

Here is the certified copy of the assignment you requested. If there is anything else we can do for you please let us know.

Thank you,  
Amber Thomas  
Chesapeake Operating



008019 TX GENERAL LAND OFFICE

| ACCT DATE          | VOUCHER NUMBER | INVOICE DATE | INVOICE NUMBER | DESCRIPTION OR GROSS AMOUNT DISCOUNT | NET AMOUNT |
|--------------------|----------------|--------------|----------------|--------------------------------------|------------|
| 08/03              | 502432         | 08/27/03     | 082703B        | REC FEES                             | 1,200.00   |
| ** TOTAL FOR CHECK |                |              |                |                                      | 1,200.00   |

*Other: Beverly Boyd*

RECEIVED  
03 SEP - 8 PM 2:51  
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505

4461

PARTIAL ASSIGNMENT OF OIL AND GAS LEASES WITHOUT WARRANTY

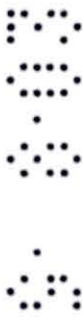
STATE OF TEXAS )
COUNTY OF WASHINGTON ) §

5127

L 51987

KNOW ALL MEN BY THESE PRESENTS:

Chesapeake Operating, Inc., an Oklahoma corporation, with a notice address of P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, hereinafter referred to as "Assignor", for good and valuable consideration, the receipt and sufficiency does hereby acknowledged, does hereby grant, bargain, sell, convey, assign and deliver unto Chesapeake Exploration Limited Partnership, an Oklahoma limited partnership, with a notice address of P.O. box 18496, Oklahoma City, Oklahoma 73154-0496, hereinafter referred to as "Assignee", all right, title and interest in and to the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as "the Leases").



This assignment of oil and gas leases is made and accepted without any representation or warranty of title of any kind, either express or implied and is subject to the reservations, conditions and covenants provided herein; the terms and conditions of said leases; and is subject to all existing leasehold burdens of record.

The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of Assignor and Assignee, their respective successors, heirs and assigns; and such terms, covenants and conditions shall be covenants running with the leases and with transfer or assignment of the leases, or interest therein.

In witness whereof, this instrument is dated the 22nd day of May, 2003, but is effective as of the date of each of the Leases.

CHESAPEAKE OPERATING, INC.

By: [Signature]
Henry J. Hood,
Vice President - Land and Legal

STATE OF OKLAHOMA )
COUNTY OF OKLAHOMA ) §

This instrument was acknowledged before me on this 22nd day of May, 2003, by Henry J. Hood, as Sr. Vice President - Land and Legal of Chesapeake Operating, Inc.

My Commission Expires 5/5/04



[Signature]
Notary Public #02007791

A CERTIFIED copy issued AUG 19 2003
pg. 1 of 5
Beth Rothermel, County Clerk
Washington County, TX Deputy

AP/167-16/Wells

EXHIBIT "A"

| LESSOR  | LEGAL DESCRIPTION  | LESSEE | LEASE NO.     | RECORDED VOL/PAGE | LEASE DATE |
|---|--|--------|---------------|-------------------|------------|
| Batdorf, Walter/Marie D. (a/k/a Marie Durden Batdorf) | 15.372 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670237-000 | 795/249           | 06/27/95   |
| Behne, John L./Chloe Marie                            | 126.915 acres out of the Nelson Smith Survey, A-100, LESS AND EXCEPT .616 acre tract and 1.5 acre tract, as referenced in said lease | COI    | TX1671413-000 | 782/484           | 03/21/95   |
| Bowie, Shirley Z.                                     | 47.6 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1671108-007 | 833/648           | 07/01/96   |
| Boyer, Kathy  | 50.143 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670053-001 | 791/89            | 06/16/95   |
| Cox, Louise Spreen                                    | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670620-000 | 806/755           | 09/01/95   |
| Dierking, W. (Jr.)/Pearlie Mae                        | 96.947 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1671006-000 | 781/743           | 03/07/95   |
| Dietzmann, Barbara J.                                 | 67.28 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670480-000 | 760/555           | 10/13/94   |
| Faske, Carroll Charles/Margaret Elizabeth             | 22.963 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1671449-000 | 776/95            | 01/19/95   |
| Fritz, Annie Marie                                    | 4.262 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670529-000 | 799/513           | 07/31/95   |
| Gandy, Robert Ray, Sue Ann                            | 1.5 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670569-000 | 802/555           | 08/25/95   |
| Gardner, Fred L. (III)                                | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670620-005 | 806/764           | 09/01/95   |
| Gardner, Matthew Spreen                               | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670620-004 | 805/697           | 09/01/95   |
| Gold, Tomme Gail                                      | 10.807 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670322-003 | 801/179           | 07/12/95   |
| Goodrum, Charlynn Z.                                  | 47.6 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1671108-005 | 836/711           | 07/01/96   |
| Grawunder, Erwin A./Erna                              | 46.928 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670466-000 | 791/227           | 10/12/95   |

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A CERTIFIED COPY ISSUED AUG 19 2003

pg. 2 of 5  
 Beth Rothermel, County Clerk  
 Washington County, TX Deputy

## EXHIBIT "A"

| LESSOR  | LEGAL DESCRIPTION  | LESSEE | LEASE NO.     | RECORDED VOL/PAGE | LEASE DATE |
|---|--|--------|---------------|-------------------|------------|
| Harris, Eula Mae  | 17.2133 acres out of the Nelson Smith Survey, A-100, as referenced in said lease | COI    | TX1670787-000 | 804/53            | 04/08/95   |
| Haywood, Raymond D./Barbara T.  | 44.465 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670223-000 | 796/79            | 06/16/95   |
| Hulebak, Lorletta Spreen  | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1670620-003 | 803/932           | 09/01/95   |
| Hunt, William L./Naomi J.   | 1.499 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670584-000 | 899/86            | 08/19/95   |
| Johnson, Jimmie A. Brown (a/k/a Jimmie Ann Brown)   | 10.0877 acres out of the Nelson Smith Survey, A-100, as referenced in said lease | COI    | TX1670661-000 | 805/126           | 09/19/95   |
| Koester, Dolores (a/k/a Delores Koester)  | 5.708 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1671456-000 | 780/84            | 02/15/95   |
| Krolczyk, Clemens H.  | 2.00 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1671517-000 | 922/908           | 02/01/99   |
| Minzenmayer, Donald   | 30.17 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670991-000 | 780/57            | 02/16/95   |
| Pieper, Bennie B. (a/k/a Bennie W. Pieper) (a/k/a B. W. Pieper)/Erna H. (a/k/a Erna Pieper) | 20.168 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670930-000 | 777/226           | 02/03/95   |
| Rosebrugh, Crawford T./Paula  | 44.465 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670223-001 | 794/287           | 06/16/95   |
| Roulston, Beverly Ann (a/k/a Beverly A. Roulston)   | 5.086 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1671487-000 | 783/246           | 03/23/95   |
| Schlottmann, William James  | 50.143 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670053-000 | 791/96            | 06/16/95   |
| Schroeder, Rebecca V./Larry   | .958 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1671494-000 | 914/724           | 10/29/98   |
| Schroeder, Scott A.   | .407 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1671493-000 | 914/720           | 10/29/98   |
| Shields, Connie Rhea  | 10.807 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670322-002 | 799/575           | 07/12/95   |



EXHIBIT "A"

| LESSOR  | LEGAL DESCRIPTION  | LESSEE | LEASE NO.     | RECORDED VOL/PAGE | LEASE DATE |
|---|--|--------|---------------|-------------------|------------|
| Shupak, Dee Sue   | 10.807 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670322-000 | 797/783           | 07/12/95   |
| Smith, Donald Ray/Herma Loy   | 126.792 acres out of the Nelson Smith Survey, A-100, as referenced in said lease | COI    | TX1670705-000 | 761/440           | 11/03/94   |
| Spreen, David Allan   | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1670620-000 | 803/209           | 09/01/95   |
| Spreen, John F. (a/k/a John F. Spreen, Jr.)                         | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1670620-002 | 805/102           | 09/01/95   |
| Spreen, Leslie H.   | 72.2 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1670620-001 | 804/40            | 09/01/95   |
| State of Texas - M100655  | 10.75 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    |               |                   | 06/21/99   |
| State of Texas - M99302   | 5.62 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1671405-000 | 901/820           | 01/16/98   |
| Stephans, Alphann   | 10.807 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670322-001 | 798/747           | 07/12/95   |
| Truxillo, Constance B./Gary Paul                                    | .616 acres out of the Nelson Smith Survey, A-100, as referenced in said lease    | COI    | TX1671499-000 | 913/266           | 10/29/98   |
| Weiss, Aline  | 15.18 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1671108-002 | 759/194           | 10/12/94   |
| Weiss, Aline  | 33.664 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1671108-003 | 836/703           | 07/01/96   |
| Weiss, Verbie   | 1.334 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1671458-000 | 912/707           | 10/29/98   |
| Wied, Jesse Lee/Polly J.  | 23.692 acres out of the Nelson Smith Survey, A-100, as referenced in said lease  | COI    | TX1670990-000 | 778/112           | 02/08/95   |
| Winkelmann, Louise F.(Jr.)/Dorothy H.                               | 67.28 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670480-001 | 760/512           | 10/13/94   |
| Winkelmann, Louise H. (Louise F. Winkelmann, Jr., attorney-in-fact) | 67.28 acres out of the Nelson Smith Survey, A-100, as referenced in said lease   | COI    | TX1670480-002 | 760/513           | 10/13/94   |

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A CERTIFIED copy issued AUG 19 2003

pg. 4 of 5  
Beth Rothermel, County Clerk  
Washington County, TX Deputy

EXHIBIT "A"

| LESSOR                   | LEGAL DESCRIPTION   | LESSEE | LEASE NO.                      | RECORDED VOL/PAGE | LEASE DATE |
|--------------------------|---|--------|--------------------------------|-------------------|------------|
| Ziegenbein, Gilbert R.   | 30.7 acres out of the Nelson Smith Survey, A-100, as referenced in said lease | COI    | TX1671108-001<br>TX1670464-000 | 758/900           | 10/12/94   |
| Ziegenbein, Lonnie       | 47.6 acres out of the Nelson Smith Survey, A-100, as referenced in said lease | COI    | TX1671108-004                  | 836/706           | 07/01/96   |
| Ziegenbein, Melvin (Jr.) | 47.6 acres out of the Nelson Smith Survey, A-100, as referenced in said lease | COI    | TX1671108-006                  | 837/794           | 07/01/96   |

END OF EXHIBIT "A"

STATE OF TEXAS  
COUNTY OF WASHINGTON

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

JUL 23 2003



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

FILED FOR RECORD  
WASHINGTON COUNTY, TEXAS  
03 JUL 22 PM 12:51  
BETH A. ROTHERMEL  
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE  
STATE OF TEXAS  
COUNTY OF WASHINGTON  
The above is a full, true, and correct extract copy of the original record now in my custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on



5045  
BETH ROTHERMEL, AUG 19 2003  
COUNTY CLERK  
WASHINGTON COUNTY, TEXAS  
By *Colleen J. ...*  
Deputy



District

CA

WASHINGTON COUNTY LEAS  
COUNCIL CENTER  
BETH BOVENS

THIS OFFICE RECEIVES AND MAINTAINS ALL RECORDS OF THE  
OFFICIAL RECORDS IN THE CITY OF WASHINGTON AND  
IS RESPONSIBLE FOR THE PROTECTION AND PRESERVATION OF THE  
SAME. THIS OFFICE IS NOT RESPONSIBLE FOR THE PROTECTION  
AND PRESERVATION OF RECORDS OF OTHER AGENCIES OR  
INDIVIDUALS. FOR MORE INFORMATION CONTACT THE  
CITY OF WASHINGTON  
2000 M ST NW  
WASHINGTON DC 20004

3 00

File No. MF 099302 10.  
Assignment  
Date Filed: 10/6/03  
Jerry E. Patterson, Commissioner  
By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 3, 2003

Chesapeake Operating, Inc.  
PO Box 18496  
Oklahoma City, OK 73154

Re: State Lease MF099302  
Weiss #2-H (RE)  
32205

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd, Lease Analyst  
Mineral Leasing Division

DIVISION ORDER



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

PROPERTY NO: 322025  
 EFFECTIVE: FIRST PRODUCTION  
 PREPARED BY: PATSY WATTERS  
 DATE PREPARED: 11/25/03  
 PRODUCT(S): OIL & GAS

This agreement is made and entered into on November 25, 2003.

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

OPERATOR: CHESAPEAKE OPERATING, INC. OWNER NO: 642573 INT TYPE: 2 (1 = WI, 2 = RI, 3 = ORI)  
 PROPERTY: WEISS #2-H (RE) OWNER: STATE OF TEXAS M-99302  
 LEGAL DESCRIPTION: NELSON SMITH SVY, A-100  
 WASHINGTON, TEXAS COMMENTS: N/A  
 UNIT ACRES: 640.000000

| Status | BPO Net Ac | BPO Lse NRI/RI | BPO Unit Int. | APO1 Net Ac | APO1 Lse NRI/RI | APO1 Unit Int. | APO2 Net Ac | APO2 Lse NRI/RI | APO2 Unit Int. |
|--------|------------|----------------|---------------|-------------|-----------------|----------------|-------------|-----------------|----------------|
| PA     | 6.660000   | 0.16666667     | 0.00173438    | n/a         | n/a             | n/a            | n/a         | n/a             | n/a            |

**DIVISION OF INTEREST**

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

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

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

**PAYMENT:** From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100.00 may be accrued before disbursement until the total amount equals \$100.00, or until July 31st of each year, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10.00 until production ceases, or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

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

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

| WITNESS                   | SIGNATURE OF INTEREST OWNER | SOCIAL SECURITY/ TAX I.D. NO. | REVENUE ADDRESS        |
|---------------------------|-----------------------------|-------------------------------|------------------------|
|                           |                             |                               |                        |
|                           |                             |                               | CORRESPONDENCE ADDRESS |
|                           |                             |                               |                        |
| WORK PHONE NUMBER:<br>( ) | HOME PHONE NUMBER:<br>( )   | FAX NUMBER:<br>( )            |                        |

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

**THIS COPY CAN BE RETAINED FOR YOUR RECORDS.**

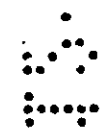
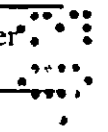
File No. MF099302 11.

Division Order

Date Filed: 12/2/03

Jerry B. Patterson, Commissioner

By *JRP*





March 22, 2006

Chesapeake Operating Inc  
PO Box 18496  
Oklahoma City, OK 73154

Re: State Lease MF100655, MF099302 - unit 2925  
Weiss 3-H  
322836

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

Beverly Boyd, Lease Analyst  
Mineral Leasing Division

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

DIVISION ORDER

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

PROPERTY NO: 322836  
 EFFECTIVE: FIRST PRODUCTION  
 PREPARED BY: PATSY WATTERS  
 DATE PREPARED: 3/9/2006  
 PRODUCT(S): OIL & GAS

This agreement is made and entered into on March 9, 2006.

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

OPERATOR: CHESAPEAKE OPERATING, INC. OWNER NO: 645578 INT TYPE: 5 (1 = WI, 2 = RI, 3 = ORI)  
 PROPERTY: WEISS 3-H OWNER: STATE OF TEXAS M-100655  
 LEGAL DESCRIPTION: 640 ACRES NELSON SMITH SVY, A-100  
 WASHINGTON, TX COMMENTS: 0  
 UNIT ACRES: 640.000000

| Status | BPO      | BPO        | BPO       | APO1     | APO1       | APO1      | APO2     | APO2       | APO2      |
|--------|----------|------------|-----------|----------|------------|-----------|----------|------------|-----------|
|        | Net Ac   | Lse NRI/RI | Unit Int. | Net Ac   | Lse NRI/RI | Unit Int. | Net Ac   | Lse NRI/RI | Unit Int. |
| SR     | 3.140000 | .20000000  | .00098125 | 3.000000 | .00000000  | .00000000 | 0.000000 | .00000000  | .00000000 |

**DIVISION OF INTEREST**

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

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

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

**PAYMENT:** From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100.00 may be accrued before disbursement until the total amount equals \$100.00, or until July 31st of each year, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10.00 until production ceases, or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

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

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

| WITNESS | SIGNATURE OF INTEREST OWNER | SOCIAL SECURITY/ TAX I.D. NO. | REVENUE ADDRESS        |
|---------|-----------------------------|-------------------------------|------------------------|
|         |                             |                               |                        |
|         |                             |                               | CORRESPONDENCE ADDRESS |
|         |                             |                               |                        |

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

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

THIS COPY CAN BE RETAINED FOR YOUR RECORDS

DIVISION ORDER

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

PROPERTY NO: 322836  
 EFFECTIVE: FIRST PRODUCTION  
 PREPARED BY: PATSY WATTERS  
 DATE PREPARED: 3/9/2006  
 PRODUCT(S): OIL & GAS

This agreement is made and entered into on March 9, 2006.

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

OPERATOR: CHESAPEAKE OPERATING, INC. OWNER NO: 642573 INT TYPE: 5 (1 = WI, 2 = RI, 3 = ORI)  
 PROPERTY: WEISS 3-H OWNER: STATE OF TEXAS M-99302  
 LEGAL DESCRIPTION: 640 ACRES NELSON SMITH SVY, A-100  
 WASHINGTON, TX COMMENTS: 0  
 UNIT ACRES: 640.000000

| Status | BPO      | BPO        | BPO       | APO1     | APO1       | APO1      | APO2     | APO2       | APO2      |
|--------|----------|------------|-----------|----------|------------|-----------|----------|------------|-----------|
|        | Net Ac   | Lse NRI/RI | Unit Int. | Net Ac   | Lse NRI/RI | Unit Int. | Net Ac   | Lse NRI/RI | Unit Int. |
| SR     | 6.660000 | .16666667  | .00173438 | 7.000000 | .00000000  | .00000000 | 0.000000 | .00000000  | .00000000 |

**DIVISION OF INTEREST**

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

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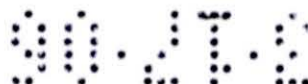
**TERMINATION:** Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

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| WITNESS                   | SIGNATURE OF INTEREST OWNER | SOCIAL SECURITY/ TAX I.D. NO. | REVENUE ADDRESS        |
|---------------------------|-----------------------------|-------------------------------|------------------------|
|                           |                             |                               |                        |
|                           |                             |                               | CORRESPONDENCE ADDRESS |
|                           |                             |                               |                        |
| WORK PHONE NUMBER:<br>( ) | HOME PHONE NUMBER:<br>( )   | FAX NUMBER:<br>( )            |                        |

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

THIS COPY CAN BE RETAINED FOR YOUR RECORDS



OWNER NO: 642573

47

File No. MF 099302 B.  
DIVISION ORDER  
Date Filed: 3/22/06  
By: Jerry E. Patterson, 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:

Kim Haley  
 Chesapeake  
 BOX 18496  
 OKla. City, OK 73154-0496

2. Article Number

(Transfer from service label)

7006 2760 0004 7904 1001

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *MM* Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

 Yes

UNITED STATES POSTAL SERVICE OK 731

15 OCT 2008 PM 4:11

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10



Texas General Land Office  
Jerry Patterson, Commissioner  
P.O. Box 12873  
Austin, Texas 78711-2873 21510

RECEIVED

OCT 17 2008

GENERAL LAND OFFICE

MF 099302

ATTN Metha

2873



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 10, 2008

CERTIFIED MAIL 70062760000479041001

CHESAPEAKE OPERATING INC  
PO BOX 18496  
OKLAHOMA CITY, OK 73154-0496

RE: Notice of non-payment on State Lease(s) 099302 100655

Dear Ms. HALEY:

The Royalty Audit Division of the Texas General Land Office has completed a lease reconciliation of the above-referenced lease operated by CHESAPEAKE OPERATING INC. Through this review, we determined that \$66,350.20 has been underpaid to the State for the reporting period SEPTEMBER 2001 through AUGUST 2005. This amount is comprised of \$38,721.04 in additional royalty, \$4,081.40 in penalty, and \$23,547.76 in interest computed through 11/10/2008, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

A brief summary of our review (Attachment I);

Schedule supporting our royalty, penalty, and interest calculation (Attachment II); and

Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 30 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

If you have any questions, please call Metha Kester at (512) 475-2317.

Sincerely,

Joe A King  
Team Leader-Royalty Reporting  
Royalty Management  
Energy Resources

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701 1-495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

ATTACHMENT I  
REVIEW SUMMARY

State Lease: 099302, 100655, ,

AS A RESULT OF THIS REVIEW IT WAS DETERMINED THAT UNIT 2925 VOLUME WAS UNDER REPORTED ON A NUMBER OF MONTHS. FOR THE MONTHS MARKED WITH AN ASTERISK UNDER "LESS PAYMENTS" I WAS UNABLE TO IDENTIFY PAYMENTS WHICH SHOULD BE APPLIED TO UNIT 2925. ONCE THIS PAYMENT INFORMATION IS RECEIVED AN VERIFIED I WILL AMEND THE BILLING.

We have concluded that additional royalty is due in the following amount.

Oil Summary

| Royalty | Penalty | Interest | Total  |
|---------|---------|----------|--------|
| \$0.00  | \$0.00  | \$0.00   | \$0.00 |

Gas Summary

| Royalty     | Penalty    | Interest    | Total       |
|-------------|------------|-------------|-------------|
| \$38,721.04 | \$4,081.40 | \$23,547.76 | \$66,350.20 |

Oil & Gas Summary

| Royalty     | Penalty    | Interest    | Total       |
|-------------|------------|-------------|-------------|
| \$38,721.04 | \$4,081.40 | \$23,547.76 | \$66,350.20 |

ATTACHMENT III

**SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES  
FOR DELINQUENT ROYALTIES AND DELINQUENT  
REQUIRED REPORTS OR DOCUMENTS**

|   | DUE BEFORE 10-1-75<br>(Production Prior to 8-1-75)                      | DUE AFTER 10-1-75 AND<br>BEFORE 9-1-85<br>(Production 8-1-75 thru 6-30-85)       | DUE AFTER 9-1-85<br>(Production 7-1-85 Forward)   |
|---|---|--|---|
| <u>PENALTY (3)</u><br><ul style="list-style-type: none"> <li>For delinquent royalty</li> </ul>        | NONE  | The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency | For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00<br><br>For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00 |
| <ul style="list-style-type: none"> <li>For delinquent report, affidavit, or other document</li> </ul> | NONE  | \$5.00 per document for each 30-day period of delinquency                        | \$10.00 per document for each 30-day period of delinquency  |
| <u>INTEREST</u><br><ul style="list-style-type: none"> <li>For delinquent royalty</li> </ul>           | 6% per year, simple interest; accrual begins 30 days after due date (1) | 6% per year, simple interest; accrual begins 30 days after due date (1)          | 12% per year, simple; accrual begins 60 days after due date (2)   |

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann. § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.  
 The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

CHESAPEAKE OPERATING, INC  
 STATE LEASE M-099302 AND 100655  
 GIDDINGS (AUSTIN CHALK, GAS)  
 WEISS LEASE UNIT 2925  
 WASHINGTON COUNTY, TEXAS  
 RRC WELLS ID 03-173559, 195471  
 ROYALTY DECIMAL .166667

AUDITOR: M KESTER  
 FILE NAME: UNIT 2925  
 DATE: 10/10/08

PENALTY/  
 INTEREST DATE:

11/10/08

(1) (2) (3) (4) (6) (7) (8)

| MONTH/<br>YEAR | UNIT 2925<br>WELL<br>SALES | MF099302<br>TP<br>0.0104 | MF100655<br>TP<br>0.0049 | TOTAL<br>SALES<br>(A) | PRICE<br>(B) | BTU<br>(B) | GROSS<br>VALUE<br>(1) X (2) X (3) | ROYALTY<br>DUE<br>(4) x (.166667) | LESS<br>PAYMENTS<br>(C) | ADDITIONAL<br>PAYMENT<br>DUE | NUMBER OF<br>DAYS LATE | PENALTY<br>DUE<br>(D) | INTEREST<br>DUE<br>(D) | TOTAL<br>DUE<br>(5)+(6)+(7) |
|----------------|----------------------------|--------------------------|--------------------------|-----------------------|--------------|------------|-----------------------------------|-----------------------------------|-------------------------|------------------------------|------------------------|-----------------------|------------------------|-----------------------------|
| Sep-01         | 235573                     | 2449.959                 | 1154.308                 | 3604.267              | 2.0629       | 0.91577    | 6808.93                           | \$1,134.82                        | \$414.85                | \$719.97                     | 2552                   | 72.00                 | 590.10                 | \$1,382.07                  |
| Oct-01         | 183683                     | 1910.303                 | 900.047                  | 2810.350              | 1.8154       | 0.91577    | \$4,672.15                        | \$778.69                          | \$244.10                | \$534.59                     | 2522                   | 53.46                 | 432.89                 | \$1,020.94                  |
| Nov-01         | 150474                     | 1564.930                 | 737.323                  | 2302.252              | 2.4195       | 1.00000    | \$5,570.38                        | \$928.40                          | \$338.06                | \$590.34                     | 2491                   | 59.03                 | 472.01                 | \$1,121.38                  |
| Dec-01         | 138903                     | 1444.591                 | 680.625                  | 2125.216              | 2.0900       | 0.91577    | \$4,067.55                        | \$677.93                          | * 0                     | \$677.93                     | 2460                   | 67.79                 | 535.14                 | \$1,280.86                  |
| Jan-02         | 124480                     | 1294.592                 | 609.952                  | 1904.544              | 1.9811       | 1.00000    | \$3,773.12                        | \$628.86                          | \$240.73                | \$388.13                     | 2432                   | 38.81                 | 302.80                 | \$729.74                    |
| Feb-02         | 105547                     | 1097.689                 | 517.180                  | 1614.869              | 1.5298       | 0.91577    | \$2,262.33                        | \$377.06                          | \$150.84                | \$226.22                     | 2401                   | 25.00                 | 174.18                 | \$425.40                    |
| Mar-02         | 109976                     | 1143.750                 | 538.882                  | 1682.633              | 1.8638       | 0.91577    | \$2,871.92                        | \$478.65                          | \$189.21                | \$289.44                     | 2371                   | 28.94                 | 220.01                 | \$538.39                    |
| Apr-02         | 101173                     | 1052.199                 | 495.748                  | 1547.947              | 2.7162       | 0.91577    | \$3,850.36                        | \$641.73                          | \$260.34                | \$381.39                     | 2340                   | 38.14                 | 286.01                 | \$705.54                    |
| May-02         | 96444                      | 1003.018                 | 472.576                  | 1475.593              | 2.6911       | 0.91577    | \$3,636.47                        | \$606.08                          | * 0                     | \$606.08                     | 2310                   | 60.61                 | 448.53                 | \$1,115.22                  |
| Jun-02         | 83316                      | 866.486                  | 408.248                  | 1274.735              | 2.6849       | 0.91577    | \$3,134.24                        | \$522.37                          | * 0                     | \$522.37                     | 2279                   | 52.24                 | 381.26                 | \$955.87                    |
| Jul-02         | 88478                      | 920.150                  | 433.532                  | 1353.683              | 2.6255       | 0.91577    | \$3,254.72                        | \$542.45                          | \$220.08                | \$322.37                     | 2248                   | 32.24                 | 232.00                 | \$586.61                    |
| Aug-02         | 94978                      | 987.771                  | 465.392                  | 1453.163              | 2.3583       | 0.91577    | \$3,138.32                        | \$523.05                          | \$208.49                | \$314.56                     | 2218                   | 31.46                 | 223.28                 | \$569.30                    |
| Sep-02         | 72000                      | 748.800                  | 352.800                  | 1101.600              | 2.7004       | 1.00000    | \$2,974.74                        | \$495.79                          | \$187.16                | \$308.63                     | 2187                   | 30.86                 | 215.92                 | \$555.41                    |
| Oct-02         | 79637                      | 828.225                  | 390.221                  | 1218.446              | 2.8719       | 1.00000    | \$3,499.30                        | \$583.22                          | \$220.01                | \$363.21                     | 2157                   | 36.32                 | 250.52                 | \$650.05                    |
| Nov-02         | 58309                      | 606.414                  | 285.714                  | 892.128               | 3.2527       | 1.00000    | \$2,901.79                        | \$483.63                          | \$182.80                | \$300.83                     | 2126                   | 30.08                 | 204.43                 | \$535.34                    |
| Dec-02         | 70788                      | 736.195                  | 346.861                  | 1083.056              | 3.2048       | 1.00000    | \$3,470.98                        | \$578.50                          | * 0                     | \$578.50                     | 2095                   | 57.85                 | 387.23                 | \$1,023.58                  |
| Jan-03         | 66773                      | 694.439                  | 327.188                  | 1021.627              | 3.8302       | 1.00000    | \$3,913.00                        | \$652.17                          | * 0                     | \$652.17                     | 2067                   | 65.22                 | 430.54                 | \$1,147.93                  |
| Feb-03         | 53996                      | 561.558                  | 264.580                  | 826.139               | 4.4082       | 1.00000    | \$3,641.76                        | \$606.96                          | * 0                     | \$606.96                     | 2036                   | 60.70                 | 394.51                 | \$1,062.17                  |
| Mar-03         | 53091                      | 552.146                  | 260.146                  | 812.292               | 7.2501       | 1.00000    | \$5,889.23                        | \$981.54                          | \$371.13                | \$610.41                     | 2006                   | 61.04                 | 390.73                 | \$1,062.18                  |
| Apr-03         | 4638                       | 48.235                   | 22.726                   | 70.961                | 4.2232       | 0.91577    | \$274.44                          | \$45.74                           | \$17.83                 | \$27.91                      | 1975                   | 25.00                 | 17.58                  | \$70.49                     |
| May-03         | 0                          | 0.000                    | 0.000                    | 0.000                 |              |            | \$0.00                            | \$0.00                            | * 0                     | \$0.00                       | 1945                   | 0.00                  | 0.00                   | \$0.00                      |
| Jun-03         | 404324                     | 4204.970                 | 1981.188                 | 6186.157              | 5.4901       | 0.92684    | \$31,477.88                       | \$5,246.32                        | * 0                     | \$5,246.32                   | 1914                   | 524.63                | 3,199.54               | \$8,970.49                  |
| Jul-03         | 454550                     | 4727.320                 | 2227.295                 | 6954.615              | 4.8849       | 0.93000    | \$31,594.31                       | \$5,265.73                        | * 0                     | \$5,265.73                   | 1883                   | 526.57                | 3,157.71               | \$8,950.01                  |
| Aug-03         | 480442                     | 4996.597                 | 2354.166                 | 7350.763              | 4.9374       | 0.93428    | \$33,908.36                       | \$5,651.41                        | \$1,856.88              | \$3,794.53                   | 1853                   | 379.45                | 2,238.04               | \$6,412.02                  |
| Sep-03         | 420896                     | 4377.318                 | 2062.390                 | 6439.709              | 5.0966       | 0.93585    | \$30,715.28                       | \$5,119.22                        | \$1,675.67              | \$3,443.55                   | 1822                   | 344.36                | 1,995.94               | \$5,783.85                  |
| Oct-03         | 369312                     | 3840.845                 | 1809.629                 | 5650.474              | 4.5750       | 0.93474    | \$24,163.76                       | \$4,027.30                        | * 0                     | \$4,027.30                   | 1792                   | 402.73                | 2,294.57               | \$6,724.60                  |
| Nov-03         | 320772                     | 3336.029                 | 1571.783                 | 4907.812              | 4.6321       | 0.93390    | \$21,230.84                       | \$3,538.48                        | \$3,583.07              | -\$44.59                     | 1761                   | 0.00                  | 0.00                   | (\$44.59)                   |
| Dec-03         | 307146                     | 3194.318                 | 1505.015                 | 4699.334              | 5.0509       | 0.93226    | \$22,127.97                       | \$3,688.00                        | \$3,131.46              | \$556.54                     | 1730                   | 55.65                 | 305.75                 | \$917.94                    |
| Jan-04         | 281936                     | 2932.134                 | 1381.486                 | 4313.621              | 6.3858       | 0.93210    | \$25,675.50                       | \$4,279.26                        | \$3,301.66              | \$977.60                     | 1701                   | 97.76                 | 527.74                 | \$1,603.10                  |
| Feb-04         | 237792                     | 2473.037                 | 1165.181                 | 3638.218              | 6.1222       | 0.93205    | \$20,760.47                       | \$3,460.09                        | \$2,378.14              | \$1,081.95                   | 1670                   | 108.19                | 573.05                 | \$1,763.19                  |
| Mar-04         | 231266                     | 2405.166                 | 1133.203                 | 3538.370              | 5.3130       | 0.93206    | \$17,522.09                       | \$2,920.35                        | \$2,911.42              | \$8.93                       | 1640                   | 25.00                 | 4.64                   | \$38.57                     |
| Apr-04         | 196447                     | 2043.049                 | 962.590                  | 3005.639              | 5.5837       | 0.93123    | \$15,628.36                       | \$2,604.73                        | \$1,644.03              | \$960.70                     | 1609                   | 96.07                 | 489.56                 | \$1,546.33                  |
| May-04         | 176898                     | 1839.739                 | 866.800                  | 2706.539              | 6.1358       | 0.93114    | \$15,463.31                       | \$2,577.22                        | \$2,391.37              | \$185.85                     | 1579                   | 25.00                 | 92.88                  | \$303.73                    |
| Jun-04         | 186775                     | 1942.460                 | 915.198                  | 2857.658              | 7.0705       | 0.93126    | \$18,816.23                       | \$3,136.04                        | \$2,393.32              | \$742.72                     | 1548                   | 74.27                 | 363.59                 | \$1,180.58                  |
| Jul-04         | 179132                     | 1862.973                 | 877.747                  | 2740.720              | 6.5924       | 0.93233    | \$16,845.19                       | \$2,807.54                        | \$2,863.34              | -\$55.80                     | 1517                   | 0.00                  | 0.00                   | (\$55.80)                   |
| Aug-04         | 169015                     | 1757.756                 | 828.174                  | 2585.930              | 6.4723       | 0.93236    | \$15,604.86                       | \$2,600.82                        | \$2,493.50              | \$107.32                     | 1487                   | 25.00                 | 50.38                  | \$182.70                    |
| Sep-04         | 144835                     | 1506.284                 | 709.692                  | 2215.976              | 5.4401       | 0.93231    | \$11,239.16                       | \$1,873.20                        | \$2,313.17              | -\$439.97                    | 1456                   | 0.00                  | 0.00                   | (\$439.97)                  |
| Oct-04         | 152032                     | 1581.133                 | 744.957                  | 2326.090              | 4.5351       | 0.92600    | \$9,768.38                        | \$1,628.07                        | \$1,693.54              | -\$65.47                     | 1426                   | 0.00                  | 0.00                   | (\$65.47)                   |
| Nov-04         | 131462                     | 1367.205                 | 644.164                  | 2011.369              | 7.8376       | 0.93105    | \$14,677.28                       | \$2,446.22                        | \$1,764.35              | \$681.87                     | 1395                   | 68.19                 | 299.50                 | \$1,049.56                  |

CHESAPEAKE OPERATING, INC  
 STATE LEASE M-099302 AND 100655  
 GIDDINGS (AUSTIN CHALK, GAS)  
 WEISS LEASE UNIT 2925  
 WASHINGTON COUNTY, TEXAS  
 RRC WELLS ID 03-173559, 195471  
 ROYALTY DECIMAL .166667

AUDITOR: M KESTER  
 FILE NAME: UNIT 2925  
 DATE: 10/10/08

PENALTY/  
 INTEREST DATE:

11/10/08

(1) (2) (3) (4) (6) (7) (8)

| MONTH/<br>YEAR | UNIT 2925<br>WELL<br>SALES | MF099302<br>TP<br>0.0104 | MF100655<br>TP<br>0.0049 | TOTAL<br>SALES<br>(A) | PRICE<br>(B) | BTU<br>(B) | GROSS<br>VALUE<br>(1) X (2) X (3) | ROYALTY<br>DUE<br>(4) X (.166667) | LESS<br>PAYMENTS<br>(C) | ADDITIONAL<br>PAYMENT<br>DUE | NUMBER OF<br>DAYS LATE | PENALTY<br>DUE<br>(D) | INTEREST<br>DUE<br>(D) | TOTAL<br>DUE<br>(5)+(6)+(7) |
|----------------|----------------------------|--------------------------|--------------------------|-----------------------|--------------|------------|-----------------------------------|-----------------------------------|-------------------------|------------------------------|------------------------|-----------------------|------------------------|-----------------------------|
| Dec-04         | 139027                     | 1445 881                 | 681 232                  | 2127 113              | 6 7644       | 0 93176    | \$13,406 75                       | \$2,234 46                        | \$2,221 04              | \$13 42                      | 1364                   | 25 00                 | 5 76                   | \$44 18                     |
| Jan-05         | 123844                     | 1287 978                 | 606 836                  | 1894 813              | 6 1157       | 0 93176    | \$10,797 34                       | \$1,799 56                        | \$2,024 49              | -\$224 93                    | 1336                   | 0 00                  | 0 00                   | (\$224 93)                  |
| Feb-05         | 101868                     | 1059 427                 | 499 153                  | 1558 580              | 6 1119       | 0 93106    | \$8,869 14                        | \$1,478 19                        | \$1,626 46              | -\$148 27                    | 1305                   | 0 00                  | 0 00                   | (\$148 27)                  |
| Mar-05         | 86604                      | 900 682                  | 424 360                  | 1325 041              | 6 4154       | 0 93106    | \$7,914 62                        | \$1,319 11                        | \$482 87                | \$636 24                     | 1275                   | 83 62                 | 334 31                 | \$1,254 17                  |
| Apr-05         | 71288                      | 741 395                  | 349 311                  | 1090 706              | 7 6099       | 0 93194    | \$7,735 28                        | \$1,289 22                        | \$429 67                | \$859 55                     | 1244                   | 85 95                 | 334 87                 | \$1,280 37                  |
| May-05         | 85476                      | 888 950                  | 418 832                  | 1307 783              | 7 0197       | 0 93188    | \$8,554 86                        | \$1,425 81                        | \$1,171 45              | \$254 36                     | 1214                   | 25 44                 | 96 59                  | \$376 39                    |
| Jun-05         | 66317                      | 689 697                  | 324 953                  | 1014 650              | 7 0013       | 0 93187    | \$6,619 87                        | \$1,103 31                        | *0                      | \$1,103 31                   | 1183                   | 110 33                | 407 71                 | \$1,621 35                  |
| Jul-05         | 55634                      | 578 594                  | 272 607                  | 851 200               | 7 7705       | 0 93186    | \$6,163 58                        | \$1,027 26                        | \$961 06                | \$66 20                      | 1152                   | 25 00                 | 23 79                  | \$114 99                    |
| Aug-05         | 50896                      | 529 318                  | 249 390                  | 778 709               | 8 5312       | 0 93182    | \$6,190 35                        | \$1,031 73                        | \$567 68                | \$464 05                     | 1122                   | 46 40                 | 162 17                 | \$672 62                    |
|                |                            |                          |                          |                       |              |            |                                   | \$87,846 31                       | \$49,125 27             | \$38,721 04                  |                        | \$4,081 40            | \$23,547 76            | \$66,350 20                 |

COMMENTS

(A) RRC VOLUME - REPRESENTS TOTAL TRACT PARTICIPATION SALES - SEE ENCLOSED SPREADSHEETS "A" & "B"

(B) PRICE/BTU - REPRESENTS THE HIGHEST SALES PRICES TAKEN FROM THE GLO2 REPORT WHICH WERE FILED.

(C) \* I WAS UNABLE TO DETERMINE PAYMENTS WHICH SHOULD BE APPLIED TO UNIT 2925  
 I AM ENCLOSED A COPY OF THE GLO REPORTS AND PAYMENTS BY MONTH.  
 SEE SPREADSHEET "3" FOR PAYMENT INFORMATION.

(D) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY  
 AND INTEREST CALCULATIONS.

## SPREADSHEET "A"

## UNIT 2925 STATE LEASES 099302 AND 100655

| A        | B                  | C                           | D                 | E                 | F                           | G               | H                             | J                              |
|----------|--------------------|-----------------------------|-------------------|-------------------|-----------------------------|-----------------|-------------------------------|--------------------------------|
| MFN.     | Production<br>YRMO | UNIT 2925<br>TRACT<br>PART. | RRC 03-<br>173559 | RRC 03-<br>195471 | TOTAL<br>UNIT 2925<br>WELLS | UNIT 2925<br>TP | GLO2 UNIT<br>2925<br>MF100655 | 2925<br>SALES<br>DIFF<br>G - H |
| MF100655 | 200109             | 0.0049                      | 235573            |                   | 235573                      | 1154.3077       | 1165                          | -10.6923                       |
| MF100655 | 200110             | 0.0049                      | 183683            |                   | 183683                      | 900.0467        | 902                           | -1.9533                        |
| MF100655 | 200111             | 0.0049                      | 150474            |                   | 150474                      | 737.3226        | 738                           | -0.6774                        |
| MF100655 | 200112             | 0.0049                      | 138903            |                   | 138903                      | 680.6247        | 675                           | 5.6247                         |
| MF100655 | 200201             | 0.0049                      | 124480            |                   | 124480                      | 609.952         | 611                           | -1.048                         |
| MF100655 | 200202             | 0.0049                      | 105547            |                   | 105547                      | 517.1803        | 518                           | -0.8197                        |
| MF100655 | 200203             | 0.0049                      | 109976            |                   | 109976                      | 538.8824        | 540                           | -1.1176                        |
| MF100655 | 200204             | 0.0049                      | 101173            |                   | 101173                      | 495.7477        | 497                           | -1.2523                        |
| MF100655 | 200205             | 0.0049                      | 96444             |                   | 96444                       | 472.5756        | 474                           | -1.4244                        |
| MF100655 | 200206             | 0.0049                      | 83316             |                   | 83316                       | 408.2484        | 409                           | -0.7516                        |
| MF100655 | 200207             | 0.0049                      | 88476             |                   | 88476                       | 433.5324        | 434                           | -0.4676                        |
| MF100655 | 200208             | 0.0049                      | 94978             |                   | 94978                       | 465.3922        | 466                           | -0.6078                        |
| MF100655 | 200209             | 0.0049                      | 72000             |                   | 72000                       | 352.8           | 353                           | -0.2                           |
| MF100655 | 200210             | 0.0049                      | 79637             |                   | 79637                       | 390.2213        | 390                           | 0.2213                         |
| MF100655 | 200211             | 0.0049                      | 58309             |                   | 58309                       | 285.7141        | 286                           | -0.2859                        |
| MF100655 | 200212             | 0.0049                      | 70788             |                   | 70788                       | 346.8612        | 347                           | -0.1388                        |
| MF100655 | 200301             | 0.0049                      | 66773             |                   | 66773                       | 327.1877        | 596                           | -268.812                       |
| MF100655 | 200302             | 0.0049                      | 53996             |                   | 53996                       | 264.5804        | 483                           | -218.42                        |
| MF100655 | 200303             | 0.0049                      | 53091             |                   | 53091                       | 260.1459        | 260                           | 0.1459                         |
| MF100655 | 200304             | 0.0049                      | 4638              |                   | 4638                        | 22.7262         | 23                            | -0.2738                        |
| MF100655 | 200305             | 0.0049                      | 0                 |                   | 0                           | 0               | 4                             | -4                             |
| MF100655 | 200306             | 0.0049                      | 4754              | 399570            | 404324                      | 1981.1876       | 1964                          | 17.1876                        |
| MF100655 | 200307             | 0.0049                      | 12879             | 441671            | 454550                      | 2227.295        | 2220                          | 7.295                          |
| MF100655 | 200308             | 0.0049                      | 97400             | 383042            | 480442                      | 2354.1658       | 2251                          | 103.166                        |
| MF100655 | 200309             | 0.0049                      | 96030             | 324866            | 420896                      | 2062.3904       | 1964                          | 98.3904                        |
| MF100655 | 200310             | 0.0049                      | 62854             | 306458            | 369312                      | 1809.6288       | 1785                          | 24.6288                        |
| MF100655 | 200311             | 0.0049                      | 54884             | 265888            | 320772                      | 1571.7828       | 1549                          | 22.7828                        |
| MF100655 | 200312             | 0.0049                      | 60000             | 247146            | 307146                      | 1505.0154       | 1485                          | 20.0154                        |
| MF100655 | 200401             | 0.0049                      | 65180             | 216756            | 281936                      | 1381.4864       | 1356                          | 25.4864                        |
| MF100655 | 200402             | 0.0049                      | 53614             | 184178            | 237792                      | 1165.1808       | 1139                          | 26.1808                        |
| MF100655 | 200403             | 0.0049                      | 50928             | 180338            | 231266                      | 1133.2034       | 1116                          | 17.2034                        |
| MF100655 | 200404             | 0.0049                      | 32726             | 163721            | 196447                      | 962.5903        | 953                           | 9.5903                         |
| MF100655 | 200405             | 0.0049                      | 14074             | 162824            | 176898                      | 866.8002        | 856                           | 10.8002                        |
| MF100655 | 200406             | 0.0049                      | 37747             | 149028            | 186775                      | 915.1975        | 903                           | 12.1975                        |
| MF100655 | 200407             | 0.0049                      | 47257             | 131875            | 179132                      | 877.7468        | 864                           | 13.7468                        |
| MF100655 | 200408             | 0.0049                      | 49443             | 119572            | 169015                      | 828.1735        | 816                           | 12.1735                        |
| MF100655 | 200409             | 0.0049                      | 37984             | 106851            | 144835                      | 709.6915        | 702                           | 7.6915                         |
| MF100655 | 200410             | 0.0049                      | 46006             | 106026            | 152032                      | 744.9568        | 736                           | 8.9568                         |
| MF100655 | 200411             | 0.0049                      | 35574             | 95888             | 131462                      | 644.1638        | 636                           | 8.1638                         |
| MF100655 | 200412             | 0.0049                      | 43073             | 95954             | 139027                      | 681.2323        | 673                           | 8.2323                         |
| MF100655 | 200501             | 0.0049                      | 38189             | 85655             | 123844                      | 606.8356        | 600                           | 6.8356                         |
| MF100655 | 200502             | 0.0049                      | 30964             | 70904             | 101868                      | 499.1532        | 493                           | 6.1532                         |
| MF100655 | 200503             | 0.0049                      | 18967             | 67637             | 86604                       | 424.3596        | 419                           | 5.3596                         |
| MF100655 | 200504             | 0.0049                      | 8367              | 62921             | 71288                       | 349.3112        | 344                           | 5.3112                         |
| MF100655 | 200505             | 0.0049                      | 15674             | 69802             | 85476                       | 418.8324        | 413                           | 5.8324                         |
| MF100655 | 200506             | 0.0049                      | 12779             | 53538             | 66317                       | 324.9533        | 321                           | 3.9533                         |
| MF100655 | 200507             | 0.0049                      | 10682             | 44952             | 55634                       | 272.6066        | 269                           | 3.6066                         |
| MF100655 | 200508             | 0.0049                      | 12790             | 38106             | 50896                       | 249.3904        | 248                           | 1.3904                         |

## SPREADSHEET "B"

| A        | B                   | C                             | D                 | E                 | F                              | G                  | H                    | J                                      |
|----------|---------------------|-------------------------------|-------------------|-------------------|--------------------------------|--------------------|----------------------|--|
| MFN.     | Productio<br>n YRMO | UNIT<br>2925<br>TRACT<br>PART | RRC 03-<br>173559 | RRC 03-<br>195471 | TOTAL<br>UNIT<br>2925<br>WELLS | UNIT<br>2925<br>TP | GLO2<br>UNIT<br>2925 | UNIT<br>2925<br>SALES<br>DIFF<br>G - H |
| MF099302 | 200109              | 0.0104                        | 235573            |                   | 235573                         | 2449.959           | 2472                 | -22.0408                               |
| MF099302 | 200110              | 0.0104                        | 183683            |                   | 183683                         | 1910.303           | 1911                 | -0.6968                                |
| MF099302 | 200111              | 0.0104                        | 150474            |                   | 150474                         | 1564.93            | 1567                 | -2.0704                                |
| MF099302 | 200112              | 0.0104                        | 138903            |                   | 138903                         | 1444.591           | 1432                 | 12.5912                                |
|          | 200201              | 0.0104                        | 124480            |                   | 124480                         | 1294.592           | 1296                 | -1.408                                 |
| MF099302 | 200202              | 0.0104                        | 105547            |                   | 105547                         | 1097.689           | 1099                 | -1.3112                                |
| MF099302 | 200203              | 0.0104                        | 109976            |                   | 109976                         | 1143.75            | 1145                 | -1.2496                                |
| MF099302 | 200204              | 0.0104                        | 101173            |                   | 101173                         | 1052.199           | 1053                 | -0.8008                                |
| MF099302 | 200205              | 0.0104                        | 96444             |                   | 96444                          | 1003.018           | 1003                 | 0.0176                                 |
| MF099302 | 200206              | 0.0104                        | 83316             |                   | 83316                          | 866.4864           | 867                  | -0.5136                                |
| MF099302 | 200207              | 0.0104                        | 88476             |                   | 88476                          | 920.1504           | 921                  | -0.8496                                |
| MF099302 | 200208              | 0.0104                        | 94978             |                   | 94978                          | 987.7712           | 989                  | -1.2288                                |
| MF099302 | 200209              | 0.0104                        | 72000             |                   | 72000                          | 748.8              | 749                  | -0.2                                   |
| MF099302 | 200210              | 0.0104                        | 79637             |                   | 79637                          | 828.2248           | 828                  | 0.2248                                 |
| MF099302 | 200211              | 0.0104                        | 58309             |                   | 58309                          | 606.4136           | 607                  | -0.5864                                |
| MF099302 | 200212              | 0.0104                        | 70788             |                   | 70788                          | 736.1952           | 736                  | 0.1952                                 |
| MF099302 | 200301              | 0.0104                        | 66773             |                   | 66773                          | 694.4392           | 688                  | 6.4392                                 |
| MF099302 | 200302              | 0.0104                        | 53996             |                   | 53996                          | 561.5584           | 552                  | 9.5584                                 |
| MF099302 | 200303              | 0.0104                        | 53091             |                   | 53091                          | 552.1464           | 552                  | 0.1464                                 |
| MF099302 | 200304              | 0.0104                        | 4638              |                   | 4638                           | 48.2352            | 48                   | 0.2352                                 |
| MF099302 | 200305              | 0.0104                        | 0                 |                   | 0                              | 0                  | 8                    | -8                                     |
| MF099302 | 200306              | 0.0104                        | 4754              | 399570            | 404324                         | 4204.97            | 4262                 | -57.0304                               |
| MF099302 | 200307              | 0.0104                        | 12879             | 441671            | 454550                         | 4727.32            | 4711                 | 16.32                                  |
| MF099302 | 200308              | 0.0104                        | 97400             | 383042            | 480442                         | 4996.597           | 4939                 | 57.5968                                |
| MF099302 | 200309              | 0.0104                        | 96030             | 324866            | 420896                         | 4377.318           | 4328                 | 49.3184                                |
| MF099302 | 200310              | 0.0104                        | 62854             | 306458            | 369312                         | 3840.845           | 3816                 | 24.8448                                |
| MF099302 | 200311              | 0.0104                        | 54884             | 265888            | 320772                         | 3336.029           | 3286                 | 50.0288                                |
| MF099302 | 200312              | 0.0104                        | 60000             | 247146            | 307146                         | 3194.318           | 3150                 | 44.3184                                |
| MF099302 | 200401              | 0.0104                        | 65180             | 216756            | 281936                         | 2932.134           | 2877                 | 55.1344                                |
| MF099302 | 200402              | 0.0104                        | 53614             | 184178            | 237792                         | 2473.037           | 2416                 | 57.0368                                |
| MF099302 | 200403              | 0.0104                        | 50928             | 180338            | 231266                         | 2405.166           | 2369                 | 36.1664                                |
| MF099302 | 200404              | 0.0104                        | 32726             | 163721            | 196447                         | 2043.049           | 2022                 | 21.0488                                |
|          | 200405              | 0.0104                        | 14074             | 162824            | 176898                         | 1839.739           | 1821                 | 18.7392                                |
| MF099302 | 200406              | 0.0104                        | 37747             | 149028            | 186775                         | 1942.46            | 1916                 | 26.46                                  |
| MF099302 | 200407              | 0.0104                        | 47257             | 131875            | 179132                         | 1862.973           | 1833                 | 29.9728                                |
| MF099302 | 200408              | 0.0104                        | 49443             | 119572            | 169015                         | 1757.756           | 1731                 | 26.756                                 |
| MF099302 | 200409              | 0.0104                        | 37984             | 106851            | 144835                         | 1506.284           | 1488                 | 18.284                                 |
| MF099302 | 200410              | 0.0104                        | 46006             | 106026            | 152032                         | 1581.133           | 1563                 | 18.1328                                |
| MF099302 | 200411              | 0.0104                        | 35574             | 95888             | 131462                         | 1367.205           | 1350                 | 17.2048                                |
| MF099302 | 200412              | 0.0104                        | 43073             | 95954             | 139027                         | 1445.881           | 1429                 | 16.8808                                |
| MF099302 | 200501              | 0.0104                        | 38189             | 85655             | 123844                         | 1287.978           | 1273                 | 14.9776                                |
| MF099302 | 200502              | 0.0104                        | 30964             | 70904             | 101868                         | 1059.427           | 1047                 | 12.4272                                |
| MF099302 | 200503              | 0.0104                        | 18967             | 67637             | 86604                          | 900.6816           | 888                  | 12.6816                                |
| MF099302 | 200504              | 0.0104                        | 8367              | 62921             | 71288                          | 741.3952           | 732                  | 9.3952                                 |
| MF099302 | 200505              | 0.0104                        | 15674             | 69802             | 85476                          | 888.9504           | 877                  | 11.9504                                |
| MF099302 | 200506              | 0.0104                        | 12779             | 53538             | 66317                          | 689.6968           | 680                  | 9.6968                                 |
| MF099302 | 200507              | 0.0104                        | 10682             | 44952             | 55634                          | 578.5936           | 571                  | 7.5936                                 |
| MF099302 | 200508              | 0.0104                        | 12790             | 38106             | 50896                          | 529.3184           | 524                  | 5.3184                                 |

SPREADSHEET "3"

| MFN      | Production YRMO | UNIT 2925 PAYMENTS | MFN      | Production YRMO | UNIT 2925 PAYMENTS | TOTAL PMTS |
|----------|-----------------|--------------------|----------|-----------------|--------------------|------------|
| MF099302 | 200109          | *                  | MF100655 | 200109          | \$414.85           | \$414.85   |
| MF099302 | 200110          | *                  | MF100655 | 200110          | \$244.10           | \$244.10   |
| MF099302 | 200111          | *                  | MF100655 | 200111          | \$338.06           | \$338.06   |
| MF099302 | 200112          | *                  | MF100655 | 200112          | *                  | *          |
|          | 200201          | *                  | MF100655 | 200201          | \$240.73           | \$240.73   |
| MF099302 | 200202          | *                  | MF100655 | 200202          | \$150.84           | \$150.84   |
| MF099302 | 200203          | *                  | MF100655 | 200203          | \$189.21           | \$189.21   |
| MF099302 | 200204          | *                  | MF100655 | 200204          | \$260.34           | \$260.34   |
| MF099302 | 200205          | *                  | MF100655 | 200205          | *                  | *          |
| MF099302 | 200206          | *                  | MF100655 | 200206          | *                  | *          |
| MF099302 | 200207          | *                  | MF100655 | 200207          | \$220.08           | \$220.08   |
| MF099302 | 200208          | *                  | MF100655 | 200208          | \$208.49           | \$208.49   |
| MF099302 | 200209          | *                  | MF100655 | 200209          | \$187.16           | \$187.16   |
| MF099302 | 200210          | *                  | MF100655 | 200210          | \$220.01           | \$220.01   |
| MF099302 | 200211          | *                  | MF100655 | 200211          | \$182.80           | \$182.80   |
| MF099302 | 200212          | *                  | MF100655 | 200212          | *                  | *          |
| MF099302 | 200301          | *                  | MF100655 | 200301          | *                  | *          |
| MF099302 | 200302          | *                  | MF100655 | 200302          | *                  | *          |
| MF099302 | 200303          | *                  | MF100655 | 200303          | \$371.13           | \$371.13   |
| MF099302 | 200304          | *                  | MF100655 | 200304          | \$17.83            | \$17.83    |
| MF099302 | 200305          | *                  | MF100655 | 200305          | *                  | *          |
| MF099302 | 200306          | *                  | MF100655 | 200306          | *                  | *          |
| MF099302 | 200307          | *                  | MF100655 | 200307          | *                  | *          |
| MF099302 | 200308          | *                  | MF100655 | 200308          | \$1,856.88         | \$1,856.88 |
| MF099302 | 200309          | *                  | MF100655 | 200309          | \$1,675.67         | \$1,675.67 |
| MF099302 | 200310          | 2,288.48           | MF100655 | 200310          | \$1,294.59         | \$3,583.07 |
| MF099302 | 200311          | 2,000.25           | MF100655 | 200311          | \$1,131.21         | \$3,131.46 |
| MF099302 | 200312          | 2,108.68           | MF100655 | 200312          | \$1,192.98         | \$3,301.66 |
| MF099302 | 200401          | 2,378.14           | MF100655 | 200401          | *                  | \$2,378.14 |
| MF099302 | 200402          | 1,859.41           | MF100655 | 200402          | 1052.01            | \$2,911.42 |
| MF099302 | 200403          | 1,644.03           | MF100655 | 200403          | *                  | \$1,644.03 |
| MF099302 | 200404          | 1,527.32           | MF100655 | 200404          | \$864.05           | \$2,391.37 |
|          | 200405          | 1,528.90           | MF100655 | 200405          | \$864.42           | \$2,393.32 |
| MF099302 | 200406          | 1,828.90           | MF100655 | 200406          | \$1,034.44         | \$2,863.34 |
| MF099302 | 200407          | 1,592.66           | MF100655 | 200407          | \$900.84           | \$2,493.50 |
| MF099302 | 200408          | 1,477.44           | MF100655 | 200408          | \$835.73           | \$2,313.17 |
| MF099302 | 200409          | 1,081.36           | MF100655 | 200409          | \$612.18           | \$1,693.54 |
| MF099302 | 200410          | 1,127.00           | MF100655 | 200410          | \$637.35           | \$1,764.35 |
| MF099302 | 200411          | 1,418.74           | MF100655 | 200411          | \$802.30           | \$2,221.04 |
| MF099302 | 200412          | 1,293.29           | MF100655 | 200412          | \$731.20           | \$2,024.49 |
| MF099302 | 200501          | 1,039.19           | MF100655 | 200501          | \$587.27           | \$1,626.46 |
| MF099302 | 200502          | *                  | MF100655 | 200502          | \$482.87           | \$482.87   |
| MF099302 | 200503          | *                  | MF100655 | 200503          | \$429.67           | \$429.67   |
| MF099302 | 200504          | 748.75             | MF100655 | 200504          | \$422.70           | \$1,171.45 |
| MF099302 | 200505          | *                  | MF100655 | 200505          | *                  | *          |
| MF099302 | 200506          | 613.29             | MF100655 | 200506          | 347.77             | \$961.06   |
| MF099302 | 200507          | 567.68             | MF100655 | 200507          | *                  | \$567.68   |
| MF099302 | 200508          | 566.63             | MF100655 | 200508          | *                  | \$566.63   |

\* UNABLE TO IDENTIFY PAYMENTS FOR THESE MONTHS.

Gas\_Due\_vs\_Paid\_Detail

| MFN      | MONTH  | TYP | GLO  | OPERATO | CLASS | VALUE      | DECIMAL  | DUE      | REMITTE  | RECEIVED   | REGISTER | CL  | PAYMENT    |
|----------|--------|-----|------|---------|-------|------------|----------|----------|----------|------------|----------|-----|------------|
| MF099302 | 200109 | -1  | 1320 | CHESAPE | 56    | \$3,561.95 | 0.166667 | \$593.66 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200109 | -1  | 1320 | CHESAPE | 56    | \$475.94   | 0.166667 | \$79.32  |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200109 | -1  | 1320 | CHESAPE | 56    | \$2,575.44 | 0.166667 | \$429.24 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200109 | -1  | 1320 | CHESAPE | 56    | \$2,126.88 | 0.166667 | \$354.48 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200109 | -1  | 1320 | CHESAPE | 56    | \$276.49   | 0.166667 | \$46.08  |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200109 | -1  | 1320 | CHESAPE | 56    | \$838.77   | 0.166667 | \$139.80 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$283.84   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$47.51    |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$306.97   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | (\$283.75) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | (\$145.34) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$145.40   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 11/15/2001 | 800789   | 14  | \$283.75   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | (\$607.27) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | ANADARK  | 3/14/2003  | 3802385  | 83  | (\$534.90) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 11/15/2001 | 800789   | 14  | \$607.27   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | (\$309.32) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | ANADARK  | 9/15/2004  | 5800381  | 271 | (\$83.96)  |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | ANADARK  | 12/14/2001 | 801105   | 20  | \$837.98   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$622.12   |
| MF099302 | 200109 | 0   | 1432 |         | 0     | \$0.00     | 0        | \$0.00   | NOT KEYE | 11/15/2001 | 800789   | 14  | \$145.34   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801706  | 34  | (\$283.84) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801707  | 34  | (\$622.12) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801706  | 34  | (\$145.40) |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801707  | 34  | \$593.66   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 11/15/2001 | 800789   | 14  | \$309.32   |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | (\$57.06)  |
| MF099302 | 200109 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 11/15/2001 | 800789   | 14  | \$57.06    |
| MF099302 | 200110 | -1  | 1320 | CHESAPE | 56    | \$1,462.02 | 0.166667 | \$243.67 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200110 | -1  | 1320 | CHESAPE | 56    | \$2,038.62 | 0.166667 | \$339.77 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200110 | -1  | 1320 | CHESAPE | 56    | \$1,841.34 | 0.166667 | \$306.89 |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200110 | -1  | 1320 | CHESAPE | 56    | \$548.62   | 0.166667 | \$91.44  |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200110 | -1  | 1320 | CHESAPE | 56    | \$394.47   | 0.166667 | \$65.75  |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200110 | -1  | 1320 | CHESAPE | 56    | \$231.33   | 0.166667 | \$38.56  |          |            | 0        | 0   | \$0.00     |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | \$358.42   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | (\$104.55) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | (\$212.42) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | (\$111.44) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | (\$342.43) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | \$212.76   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | (\$204.10) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | \$103.95   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$342.43   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | \$202.94   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/28/2002  | 801455   | 24  | \$97.95    |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$212.42   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | ANADARK  | 3/14/2003  | 3802385  | 83  | (\$444.30) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$35.17    |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 12/4/2001  | 801006   | 18  | \$204.10   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | ANADARK  | 1/15/2002  | 801297   | 21  | \$667.62   |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801706  | 34  | (\$202.94) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801706  | 34  | (\$103.95) |
| MF099302 | 200110 | 0   | 1320 |         | 0     | \$0.00     | 0        | \$0.00   | CHESAPE  | 1/24/2003  | 3801707  | 34  | (\$358.42) |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |        |            |          |            |           |           |         |           |            |
|----------|--------|----|------|---------|--------|------------|----------|------------|-----------|-----------|---------|-----------|------------|
| MF099302 | 200110 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/24/2003 | 3801707   | 34      | \$339.77  |            |
| MF099302 | 200110 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 9/15/2004 | 5800381   | 271     | (\$66.13) |            |
| MF099302 | 200110 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 12/4/2001 | 801006    | 18      | \$104.55  |            |
| MF099302 | 200111 | -1 | 1320 | CHESAPE | 56     | \$273.43   | 0.166667 | \$45.57    |           |           | 0       | \$0.00    |            |
| MF099302 | 200111 | -1 | 1320 | CHESAPE | 56     | \$7,857.89 | 0.166667 | \$1,309.65 |           |           | 0       | \$0.00    |            |
| MF099302 | 200111 | -1 | 1320 | CHESAPE | 56     | \$3,135.71 | 0.166667 | \$522.62   |           |           | 0       | \$0.00    |            |
| MF099302 | 200111 | -1 | 1320 | CHESAPE | 56     | \$468.38   | 0.166667 | \$78.06    |           |           | 0       | \$0.00    |            |
| MF099302 | 200111 | -1 | 1320 | CHESAPE | 56     | \$452.07   | 0.166667 | \$75.35    |           |           | 0       | \$0.00    |            |
| MF099302 | 200111 | -1 | 1320 | CHESAPE | 56     | \$3,204.47 | 0.166667 | \$534.08   |           |           | 0       | \$0.00    |            |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/28/2002 | 801455  | 24        | \$180.91   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801706 | 34        | (\$354.27) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 3/14/2003 | 3802385 | 83        | (\$551.33) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76        | (\$234.80) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76        | \$165.81   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | (\$351.76) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$354.27   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/28/2002 | 801455  | 24        | \$61.33    |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801706 | 34        | (\$181.48) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$234.80   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/28/2002 | 801455  | 24        | \$351.76   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/16/2005 | 5804000 | 143       | \$0.58     |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/28/2002 | 801455  | 24        | \$353.17   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$360.97   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | (\$353.17) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | (\$180.91) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$181.48   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801707 | 34        | \$522.62   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801707 | 34        | (\$526.10) |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/28/2002 | 801455  | 24        | \$526.10   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 7/15/2005 | 5805162 | 206       | (\$23.08)  |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 2/15/2002 | 801705  | 26        | \$732.19   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 9/15/2004 | 5800381 | 271       | (\$5.11)   |
| MF099302 | 200111 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | (\$194.36) |
| MF099302 | 200112 | -1 | 1320 | CHESAPE | 56     | \$451.69   | 0.166667 | \$75.28    |           |           | 0       | \$0.00    |            |
| MF099302 | 200112 | -1 | 1320 | CHESAPE | 56     | \$246.73   | 0.166667 | \$41.12    |           |           | 0       | \$0.00    |            |
| MF099302 | 200112 | -1 | 1320 | CHESAPE | 56     | \$2,021.40 | 0.166667 | \$336.90   |           |           | 0       | \$0.00    |            |
| MF099302 | 200112 | -1 | 1320 | CHESAPE | 56     | \$5,299.31 | 0.166667 | \$883.22   |           |           | 0       | \$0.00    |            |
| MF099302 | 200112 | -1 | 1320 | CHESAPE | 56     | \$422.35   | 0.166667 | \$70.39    |           |           | 0       | \$0.00    |            |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$41.33    |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76        | \$108.65   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76        | (\$113.60) |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801707 | 34        | \$336.90   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2002  | 801850  | 28        | \$113.60   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801706 | 34        | (\$123.42) |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801706 | 34        | (\$240.94) |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$243.36   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 3/14/2003 | 3802385 | 83        | (\$485.26) |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$240.94   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 2/6/2002  | 801611  | 25        | \$123.42   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2002  | 801850  | 28        | (\$243.36) |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 3/15/2002 | 802024  | 30        | \$553.91   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 7/15/2005 | 5805162 | 206       | (\$9.55)   |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2002  | 801850  | 28        | (\$130.96) |
| MF099302 | 200112 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/16/2005 | 5804000 | 143       | \$86.57    |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |            |          |          |         |           |         |     |            |
|----------|--------|----|------|---------|----|------------|----------|----------|---------|-----------|---------|-----|------------|
| MF099302 | 200112 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2002  | 801850  | 28  | \$244.44   |
| MF099302 | 200201 | -1 | 1320 | CHESAPE | 56 | \$2,123.76 | 0.166667 | \$353.96 |         |           |         | 0   | \$0.00     |
| MF099302 | 200201 | -1 | 1320 | CHESAPE | 56 | \$5,814.65 | 0.166667 | \$969.11 |         |           |         | 0   | \$0.00     |
| MF099302 | 200201 | -1 | 1320 | CHESAPE | 56 | \$422.75   | 0.166667 | \$70.46  |         |           |         | 0   | \$0.00     |
| MF099302 | 200201 | -1 | 1320 | CHESAPE | 56 | \$431.69   | 0.166667 | \$71.95  |         |           |         | 0   | \$0.00     |
| MF099302 | 200201 | -1 | 1320 | CHESAPE | 56 | \$246.17   | 0.166667 | \$41.03  |         |           |         | 0   | \$0.00     |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 4/5/2002  | 802250  | 34  | (\$269.34) |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2002  | 801850  | 28  | \$269.34   |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | \$121.23   |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2002  | 801850  | 28  | \$44.11    |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 4/5/2002  | 802250  | 34  | \$267.57   |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 4/5/2002  | 802250  | 34  | \$40.12    |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 5/16/2005 | 5804000 | 143 | (\$2.27)   |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003 | 3802385 | 83  | \$153.84   |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 4/5/2002  | 802250  | 34  | (\$44.11)  |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | (\$127.13) |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 4/4/2003  | 3802559 | 104 | \$0.03     |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 1/24/2003 | 3801707 | 34  | \$353.96   |
| MF099302 | 200201 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 7/15/2005 | 5805162 | 206 | (\$9.19)   |
| MF099302 | 200202 | -1 | 1320 | CHESAPE | 56 | \$3,751.73 | 0.166667 | \$625.29 |         |           |         | 0   | \$0.00     |
| MF099302 | 200202 | -1 | 1320 | CHESAPE | 56 | \$267.40   | 0.166667 | \$44.57  |         |           |         | 0   | \$0.00     |
| MF099302 | 200202 | -1 | 1320 | CHESAPE | 56 | \$1,335.12 | 0.166667 | \$222.52 |         |           |         | 0   | \$0.00     |
| MF099302 | 200202 | -1 | 1320 | CHESAPE | 56 | \$154.61   | 0.166667 | \$25.77  |         |           |         | 0   | \$0.00     |
| MF099302 | 200202 | -1 | 1320 | CHESAPE | 56 | \$266.18   | 0.166667 | \$44.36  |         |           |         | 0   | \$0.00     |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 4/4/2003  | 3802559 | 104 | (\$2.67)   |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 5/16/2005 | 5804000 | 143 | (\$2.24)   |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | (\$541.54) |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003 | 3802385 | 83  | \$99.41    |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 7/15/2005 | 5805162 | 206 | (\$5.57)   |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 4/5/2002  | 802250  | 34  | \$171.30   |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | \$83.91    |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 1/24/2003 | 3801707 | 34  | \$222.52   |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 5/7/2002  | 802471  | 36  | \$170.90   |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 5/7/2002  | 802471  | 36  | (\$171.30) |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 5/7/2002  | 802471  | 36  | (\$31.84)  |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 5/7/2002  | 802471  | 36  | \$27.87    |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | (\$88.30)  |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 4/5/2002  | 802250  | 34  | \$31.84    |
| MF099302 | 200202 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | \$541.38   |
| MF099302 | 200203 | -1 | 1320 | CHESAPE | 56 | \$335.01   | 0.166667 | \$55.84  |         |           |         | 0   | \$0.00     |
| MF099302 | 200203 | -1 | 1320 | CHESAPE | 56 | \$196.46   | 0.166667 | \$32.74  |         |           |         | 0   | \$0.00     |
| MF099302 | 200203 | -1 | 1320 | CHESAPE | 56 | \$337.95   | 0.166667 | \$56.33  |         |           |         | 0   | \$0.00     |
| MF099302 | 200203 | -1 | 1320 | CHESAPE | 56 | \$4,642.01 | 0.166667 | \$773.67 |         |           |         | 0   | \$0.00     |
| MF099302 | 200203 | -1 | 1320 | CHESAPE | 56 | \$1,669.92 | 0.166667 | \$278.32 |         |           |         | 0   | \$0.00     |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | (\$679.88) |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | \$93.90    |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 4/4/2003  | 3802559 | 104 | (\$2.22)   |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003  | 3802237 | 76  | \$679.77   |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 5/16/2005 | 5804000 | 143 | (\$1.32)   |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 5/7/2002  | 802471  | 36  | \$34.48    |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003 | 3802385 | 83  | \$122.88   |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 6/12/2002 | 803056  | 41  | (\$34.48)  |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 1/24/2003 | 3801707 | 34  | \$278.32   |
| MF099302 | 200203 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 5/7/2002  | 802471  | 36  | \$215.27   |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |        |            |          |            |           |           |         |            |            |
|----------|--------|----|------|---------|--------|------------|----------|------------|-----------|-----------|---------|------------|------------|
| MF099302 | 200203 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 7/15/2005 | 5805162   | 206     | (\$7.17)   |            |
| MF099302 | 200203 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/12/2002 | 803056    | 41      | \$214.55   |            |
| MF099302 | 200203 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/12/2002 | 803056    | 41      | (\$215.27) |            |
| MF099302 | 200203 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/12/2002 | 803056    | 41      | \$31.03    |            |
| MF099302 | 200203 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/5/2003  | 3802237   | 76      | (\$98.34)  |            |
| MF099302 | 200204 | -1 | 1320 | CHESAPE | 56     | \$6,424.43 | 0 166667 | \$1,070.74 |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200204 | -1 | 1320 | CHESAPE | 56     | \$2,307.18 | 0 166667 | \$384.53   |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200204 | -1 | 1320 | CHESAPE | 56     | \$261.72   | 0 166667 | \$43.62    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200204 | -1 | 1320 | CHESAPE | 56     | \$449.91   | 0 166667 | \$74.99    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200204 | -1 | 1320 | CHESAPE | 56     | \$452.71   | 0 166667 | \$75.45    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801707 | 34         | \$384.53   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 3/14/2003 | 3802385 | 83         | \$163.11   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | \$136.22   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | (\$141.92) |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | \$934.52   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/16/2005 | 5804000 | 143        | (\$2.36)   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | (\$967.71) |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 4/4/2003  | 3802559 | 104        | (\$0.43)   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/5/2002  | 803193  | 44         | (\$292.53) |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/12/2002 | 803056  | 41         | \$292.53   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/5/2002  | 803193  | 44         | \$44.79    |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/12/2002 | 803056  | 41         | \$48.92    |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 7/15/2005 | 5805162 | 206        | (\$9.88)   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/5/2002  | 803193  | 44         | \$305.38   |
| MF099302 | 200204 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/5/2002  | 803193  | 44         | (\$48.92)  |
| MF099302 | 200205 | -1 | 1320 | CHESAPE | 56     | \$2,166.96 | 0 166667 | \$361.16   |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200205 | -1 | 1320 | CHESAPE | 56     | \$6,357.05 | 0 166667 | \$1,059.51 |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200205 | -1 | 1320 | CHESAPE | 56     | \$264.85   | 0 166667 | \$44.14    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200205 | -1 | 1320 | CHESAPE | 56     | \$426.34   | 0 166667 | \$71.06    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200205 | -1 | 1320 | CHESAPE | 56     | \$448.67   | 0 166667 | \$74.78    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | (\$978.85) |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | \$930.86   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/5/2002  | 803193  | 44         | \$292.35   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | \$128.65   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 4/4/2003  | 3802559 | 104        | \$0.04     |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 3/5/2003  | 3802237 | 76         | (\$133.88) |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 8/15/2002 | 803705  | 49         | \$133.88   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 8/15/2002 | 803705  | 49         | (\$141.16) |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 8/15/2002 | 803705  | 49         | \$978.85   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/5/2002  | 803193  | 44         | \$44.55    |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801707 | 34         | \$361.16   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 3/14/2003 | 3802385 | 83         | \$159.34   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/16/2005 | 5804000 | 143        | (\$4.23)   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 7/15/2005 | 5805162 | 206        | (\$9.31)   |
| MF099302 | 200205 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 8/15/2002 | 803705  | 49         | (\$926.39) |
| MF099302 | 200206 | -1 | 1320 | CHESAPE | 56     | \$408.15   | 0 166667 | \$68.03    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200206 | -1 | 1320 | CHESAPE | 56     | \$1,877.34 | 0 166667 | \$312.89   |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200206 | -1 | 1320 | CHESAPE | 56     | \$368.81   | 0 166667 | \$61.47    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200206 | -1 | 1320 | CHESAPE | 56     | \$5,824.49 | 0 166667 | \$970.75   |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200206 | -1 | 1320 | CHESAPE | 56     | \$241.81   | 0 166667 | \$40.30    |           |           | 0 0     | \$0.00     |            |
| MF099302 | 200206 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 9/13/2002 | 3800202 | 266        | (\$277.11) |
| MF099302 | 200206 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 1/24/2003 | 3801707 | 34         | \$312.89   |
| MF099302 | 200206 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 9/13/2002 | 3800202 | 266        | (\$39.03)  |
| MF099302 | 200206 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/16/2005 | 5804000 | 143        | \$3.29     |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |            |          |          |         |            |         |     |            |
|----------|--------|----|------|---------|----|------------|----------|----------|---------|------------|---------|-----|------------|
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003   | 3802237 | 76  | \$107.41   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003   | 3802237 | 76  | (\$111.71) |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003   | 3802237 | 76  | \$863.34   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 3/5/2003   | 3802237 | 76  | (\$902.57) |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 7/15/2005  | 5805162 | 206 | (\$8.04)   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 9/13/2002  | 3800202 | 266 | \$35.25    |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 8/15/2002  | 803705  | 49  | \$123.67   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 8/15/2002  | 803705  | 49  | \$878.07   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 9/13/2002  | 3800202 | 266 | \$284.83   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 8/15/2002  | 803742  | 49  | \$159.29   |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003  | 3802385 | 83  | \$49.41    |
| MF099302 | 200206 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 9/15/2004  | 5800381 | 271 | (\$74.45)  |
| MF099302 | 200207 | -1 | 1320 | CHESAPE | 56 | \$236.48   | 0.166667 | \$39.41  |         |            |         | 0   | \$0.00     |
| MF099302 | 200207 | -1 | 1320 | CHESAPE | 56 | \$382.29   | 0.166667 | \$63.72  |         |            |         | 0   | \$0.00     |
| MF099302 | 200207 | -1 | 1320 | CHESAPE | 56 | \$1,951.44 | 0.166667 | \$325.24 |         |            |         | 0   | \$0.00     |
| MF099302 | 200207 | -1 | 1320 | CHESAPE | 56 | \$5,766.35 | 0.166667 | \$961.06 |         |            |         | 0   | \$0.00     |
| MF099302 | 200207 | -1 | 1320 | CHESAPE | 56 | \$404.64   | 0.166667 | \$67.44  |         |            |         | 0   | \$0.00     |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003  | 3802385 | 83  | (\$77.79)  |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 10/8/2002  | 3800417 | 294 | (\$139.84) |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 5/16/2005  | 5804000 | 143 | \$0.91     |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 10/8/2002  | 3800417 | 294 | \$119.92   |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 10/8/2002  | 3800417 | 294 | \$841.14   |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 1/24/2003  | 3801707 | 34  | \$325.24   |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 10/15/2002 | 3800657 | 302 | \$216.37   |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 7/15/2005  | 5805162 | 206 | (\$8.33)   |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 9/13/2002  | 3800202 | 266 | \$268.85   |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 10/8/2002  | 3800417 | 294 | (\$851.90) |
| MF099302 | 200207 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 9/13/2002  | 3800202 | 266 | \$44.13    |
| MF099302 | 200208 | -1 | 1320 | CHESAPE | 56 | \$1,844.52 | 0.166667 | \$307.42 |         |            |         | 0   | \$0.00     |
| MF099302 | 200208 | -1 | 1320 | CHESAPE | 56 | \$365.53   | 0.166667 | \$60.92  |         |            |         | 0   | \$0.00     |
| MF099302 | 200208 | -1 | 1320 | CHESAPE | 56 | \$5,094.59 | 0.166667 | \$849.10 |         |            |         | 0   | \$0.00     |
| MF099302 | 200208 | -1 | 1320 | CHESAPE | 56 | \$207.35   | 0.166667 | \$34.56  |         |            |         | 0   | \$0.00     |
| MF099302 | 200208 | -1 | 1320 | CHESAPE | 56 | \$369.30   | 0.166667 | \$61.55  |         |            |         | 0   | \$0.00     |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 11/18/2002 | 3800864 | 329 | \$722.02   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 1/24/2003  | 3801707 | 34  | \$307.42   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 5/16/2005  | 5804000 | 143 | (\$2.84)   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 7/15/2005  | 5805162 | 206 | (\$7.98)   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 11/18/2002 | 3800864 | 329 | (\$736.87) |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 10/8/2002  | 3800417 | 294 | \$144.63   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 11/18/2002 | 3800864 | 329 | (\$144.63) |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 11/18/2002 | 3800864 | 329 | \$127.08   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003  | 3802385 | 83  | (\$67.79)  |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 10/8/2002  | 3800417 | 294 | \$736.87   |
| MF099302 | 200208 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 11/15/2002 | 3800963 | 329 | \$201.08   |
| MF099302 | 200209 | -1 | 1320 | CHESAPE | 56 | \$215.48   | 0.166667 | \$35.91  |         |            |         | 0   | \$0.00     |
| MF099302 | 200209 | -1 | 1320 | CHESAPE | 56 | \$362.04   | 0.166667 | \$60.34  |         |            |         | 0   | \$0.00     |
| MF099302 | 200209 | -1 | 1320 | CHESAPE | 56 | \$1,674.24 | 0.166667 | \$279.04 |         |            |         | 0   | \$0.00     |
| MF099302 | 200209 | -1 | 1320 | CHESAPE | 56 | \$309.68   | 0.166667 | \$51.61  |         |            |         | 0   | \$0.00     |
| MF099302 | 200209 | -1 | 1320 | CHESAPE | 56 | \$5,150.93 | 0.166667 | \$858.49 |         |            |         | 0   | \$0.00     |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 3/14/2003  | 3802385 | 83  | (\$71.61)  |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 7/15/2005  | 5805162 | 206 | (\$7.11)   |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | ANADARK | 5/16/2005  | 5804000 | 143 | \$4.68     |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 12/13/2002 | 3801227 | 6   | \$88.26    |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00   | CHESAPE | 11/18/2002 | 3800864 | 329 | \$768.07   |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |            |          |            |         |            |         |     |            |
|----------|--------|----|------|---------|----|------------|----------|------------|---------|------------|---------|-----|------------|
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/24/2003  | 3801707 | 34  | \$279.04   |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/13/2002 | 3801227 | 6   | \$770.23   |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/13/2002 | 3801227 | 6   | (\$768.07) |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/13/2002 | 3801227 | 6   | (\$87.49)  |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 12/13/2002 | 3801254 | 6   | \$185.99   |
| MF099302 | 200209 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/18/2002 | 3800864 | 329 | \$87.49    |
| MF099302 | 200210 | -1 | 1320 | CHESAPE | 56 | \$239.14   | 0.166667 | \$39.86    |         |            |         | 0   | \$0.00     |
| MF099302 | 200210 | -1 | 1320 | CHESAPE | 56 | \$368.18   | 0.166667 | \$61.36    |         |            |         | 0   | \$0.00     |
| MF099302 | 200210 | -1 | 1320 | CHESAPE | 56 | \$406.72   | 0.166667 | \$67.79    |         |            |         | 0   | \$0.00     |
| MF099302 | 200210 | -1 | 1320 | CHESAPE | 56 | \$6,000.65 | 0.166667 | \$1,000.11 |         |            |         | 0   | \$0.00     |
| MF099302 | 200210 | -1 | 1320 | CHESAPE | 56 | \$1,967.28 | 0.166667 | \$327.88   |         |            |         | 0   | \$0.00     |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/13/2002 | 3801227 | 6   | \$137.16   |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 7/15/2005  | 5805162 | 206 | (\$8.40)   |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/24/2003  | 3801707 | 34  | \$327.88   |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 5/16/2005  | 5804000 | 143 | \$0.34     |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/2/2003   | 3801369 | 13  | \$125.76   |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 3/14/2003  | 3802385 | 83  | (\$20.23)  |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/13/2002 | 3801227 | 6   | \$882.08   |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/2/2003   | 3801369 | 13  | (\$882.08) |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 1/15/2003  | 3801654 | 29  | \$157.44   |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/2/2003   | 3801369 | 13  | (\$137.16) |
| MF099302 | 200210 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/2/2003   | 3801369 | 13  | \$874.35   |
| MF099302 | 200211 | -1 | 1320 | CHESAPE | 56 | \$308.87   | 0.166667 | \$51.48    |         |            |         | 0   | \$0.00     |
| MF099302 | 200211 | -1 | 1320 | CHESAPE | 56 | \$6,021.66 | 0.166667 | \$1,003.61 |         |            |         | 0   | \$0.00     |
| MF099302 | 200211 | -1 | 1320 | CHESAPE | 56 | \$247.58   | 0.166667 | \$41.26    |         |            |         | 0   | \$0.00     |
| MF099302 | 200211 | -1 | 1320 | CHESAPE | 56 | \$1,632.84 | 0.166667 | \$272.14   |         |            |         | 0   | \$0.00     |
| MF099302 | 200211 | -1 | 1320 | CHESAPE | 56 | \$410.43   | 0.166667 | \$68.41    |         |            |         | 0   | \$0.00     |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 2/14/2003  | 3801954 | 55  | \$201.79   |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/24/2003  | 3801707 | 34  | \$284.43   |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 5/16/2005  | 5804000 | 143 | \$6.92     |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 3/14/2003  | 3802385 | 83  | (\$82.20)  |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | \$914.37   |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | (\$284.43) |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | (\$84.26)  |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/2/2003   | 3801369 | 13  | \$907.69   |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/2/2003   | 3801369 | 13  | \$84.26    |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | \$272.14   |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | \$89.24    |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | (\$907.69) |
| MF099302 | 200211 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 7/15/2005  | 5805162 | 206 | (\$6.62)   |
| MF099302 | 200212 | -1 | 1320 | CHESAPE | 56 | \$1,937.10 | 0.166667 | \$322.85   |         |            |         | 0   | \$0.00     |
| MF099302 | 200212 | -1 | 1320 | CHESAPE | 56 | \$5,568.29 | 0.166667 | \$928.05   |         |            |         | 0   | \$0.00     |
| MF099302 | 200212 | -1 | 1320 | CHESAPE | 56 | \$246.26   | 0.166667 | \$41.04    |         |            |         | 0   | \$0.00     |
| MF099302 | 200212 | -1 | 1320 | CHESAPE | 56 | \$398.94   | 0.166667 | \$66.49    |         |            |         | 0   | \$0.00     |
| MF099302 | 200212 | -1 | 1320 | CHESAPE | 56 | \$383.22   | 0.166667 | \$63.87    |         |            |         | 0   | \$0.00     |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 3/5/2003   | 3802237 | 76  | \$867.08   |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 9/15/2004  | 5800381 | 271 | (\$60.80)  |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 3/5/2003   | 3802237 | 76  | (\$68.67)  |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 2/12/2003  | 3801990 | 55  | \$68.67    |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 3/5/2003   | 3802237 | 76  | \$322.85   |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 5/15/2003  | 3803082 | 148 | \$71.81    |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 3/5/2003   | 3802237 | 76  | (\$874.46) |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 5/16/2005  | 5804000 | 143 | \$0.66     |
| MF099302 | 200212 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 10/15/2003 | 4800727 | 302 | \$1.89     |

Gas\_Due\_vs\_Paid\_Detail

|                 |    |      |         |        |             |          |            |           |            |         |            |              |
|-----------------|----|------|---------|--------|-------------|----------|------------|-----------|------------|---------|------------|--------------|
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | CHESAPE    | 2/12/2003 | 3801990    | 55      | \$317 75   |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | ANADARK    | 2/28/2003 | 3802090    | 69      | \$201 79   |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | CHESAPE    | 3/5/2003  | 3802237    | 76      | (\$317 75) |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | CHESAPE    | 2/12/2003 | 3801990    | 55      | \$874 46   |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | ANADARK    | 7/15/2005 | 5805162    | 206     | (\$8 65)   |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | CHESAPE    | 3/5/2003  | 3802237    | 76      | \$60 97    |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | ANADARK    | 3/14/2003 | 3802385    | 83      | (\$83 01)  |              |
| MF099302 200212 | 0  | 1320 | 0       | \$0 00 | 0           | \$0 00   | ANADARK    | 9/15/2003 | 4800275    | 265     | \$6 67     |              |
| MF099302 200301 | -1 | 1320 | CHESAPE | 56     | \$2,171 82  | 0 166667 | \$361 97   |           |            | 0 0     | \$0 00     |              |
| MF099302 200301 | -1 | 1320 | CHESAPE | 56     | \$6,865 73  | 0 166667 | \$1,144 29 |           |            | 0 0     | \$0 00     |              |
| MF099302 200301 | -1 | 1320 | CHESAPE | 56     | \$425 47    | 0 166667 | \$70 91    |           |            | 0 0     | \$0 00     |              |
| MF099302 200301 | -1 | 1320 | CHESAPE | 56     | \$289 68    | 0 166667 | \$48 28    |           |            | 0 0     | \$0 00     |              |
| MF099302 200301 | -1 | 1320 | CHESAPE | 56     | \$2,175 54  | 0 166667 | \$362 59   |           |            | 0 0     | \$0 00     |              |
| MF099302 200301 | -1 | 1320 | CHESAPE | 56     | \$485 50    | 0 166667 | \$80 92    |           |            | 0 0     | \$0 00     |              |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 5/16/2005  | 5804000 | 143        | \$0 82       |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 9/15/2003  | 4800275 | 265        | \$11 87      |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 9/15/2004  | 5800381 | 271        | (\$72 58)    |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 10/15/2003 | 4800727 | 302        | \$2 38       |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 3/14/2003  | 3802385 | 83         | \$118 78     |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 3/5/2003   | 3802237 | 76         | \$123 88     |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | \$1,031 80   |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | (\$1,044 95) |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 3/5/2003   | 3802237 | 76         | \$362 59     |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 3/5/2003   | 3802237 | 76         | \$1,044 95   |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | (\$362 59)   |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 7/15/2005  | 5805162 | 206        | (\$9 71)     |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | \$361 97     |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 4/15/2003  | 3802689 | 111        | \$20 70      |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | \$112 49     |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | (\$123 88)   |
| MF099302 200301 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 5/15/2003  | 3803082 | 148        | \$79 57      |
| MF099302 200302 | -1 | 1320 | CHESAPE | 56     | \$534 55    | 0 166667 | \$89 09    |           |            | 0 0     | \$0 00     |              |
| MF099302 200302 | -1 | 1320 | CHESAPE | 56     | \$7,476 15  | 0 166667 | \$1,246 03 |           |            | 0 0     | \$0 00     |              |
| MF099302 200302 | -1 | 1320 | CHESAPE | 56     | \$314 28    | 0 166667 | \$52 38    |           |            | 0 0     | \$0 00     |              |
| MF099302 200302 | -1 | 1320 | CHESAPE | 56     | \$2,024 10  | 0 166667 | \$337 35   |           |            | 0 0     | \$0 00     |              |
| MF099302 200302 | -1 | 1320 | CHESAPE | 56     | \$394 52    | 0 166667 | \$65 75    |           |            | 0 0     | \$0 00     |              |
| MF099302 200302 | -1 | 1320 | CHESAPE | 56     | \$2,036 58  | 0 166667 | \$339 43   |           |            | 0 0     | \$0 00     |              |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | \$339 43     |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | \$128 28     |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 9/15/2003  | 4800275 | 265        | \$16 01      |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 5/13/2003  | 3803134 | 148        | \$337 35     |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 10/15/2003 | 4800727 | 302        | \$1 59       |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 4/15/2003  | 3802689 | 111        | \$139 48     |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 5/13/2003  | 3803134 | 148        | (\$339 43)   |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 5/13/2003  | 3803134 | 148        | \$140 86     |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 5/13/2003  | 3803134 | 148        | (\$128 28)   |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 4/3/2003   | 3802573 | 104        | \$1,114 91   |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 5/13/2003  | 3803134 | 148        | (\$1,114 91) |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 5/15/2003  | 3803082 | 148        | \$1 97       |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | CHESAPE   | 5/13/2003  | 3803134 | 148        | \$1,105 19   |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 5/16/2005  | 5804000 | 143        | \$4 97       |
| MF099302 200302 | 0  | 1320 |         | 0      | \$0 00      | 0        | \$0 00     | ANADARK   | 7/15/2005  | 5805162 | 206        | (\$9 18)     |
| MF099302 200303 | -1 | 1320 | CHESAPE | 56     | \$13,458 69 | 0 166667 | \$2,243 12 |           |            | 0 0     | \$0 00     |              |
| MF099302 200303 | -1 | 1320 | CHESAPE | 56     | \$534 61    | 0 166667 | \$89 10    |           |            | 0 0     | \$0 00     |              |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |            |   |        |            |            |         |     |              |        |
|----------|--------|----|------|---------|----|------------|---|--------|------------|------------|---------|-----|--------------|--------|
| MF099302 | 200303 | -1 | 1320 | CHESAPE | 56 | \$925.97   | 0 | 166667 | \$154.33   |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200303 | -1 | 1320 | CHESAPE | 56 | \$3,313.31 | 0 | 166667 | \$552.22   |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200303 | -1 | 1320 | CHESAPE | 56 | \$619.59   | 0 | 166667 | \$103.27   |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 5/13/2003  | 3803134 | 148 | \$554.43     |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 5/13/2003  | 3803134 | 148 | \$1,990.58   |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 6/16/2003  | 3803417 | 177 | \$95.93      |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 7/15/2005  | 5805162 | 206 | (\$14.56)    |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 10/15/2003 | 4800727 | 302 | \$2.27       |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 5/15/2003  | 3803082 | 148 | \$141.45     |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 9/15/2003  | 4800275 | 265 | \$31.89      |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | \$297.91     |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | \$1,945.21   |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 5/13/2003  | 3803134 | 148 | \$258.39     |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | \$552.22     |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | (\$1,990.58) |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 5/16/2005  | 5804000 | 143 | \$0.82       |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | (\$554.43)   |        |
| MF099302 | 200303 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | (\$258.39)   |        |
| MF099302 | 200304 | -1 | 1320 | CHESAPE | 56 | \$265.89   | 0 | 166667 | \$44.32    |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200304 | -1 | 1320 | CHESAPE | 56 | \$444.30   | 0 | 166667 | \$74.05    |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200304 | -1 | 1320 | CHESAPE | 56 | \$30.94    | 0 | 166667 | \$5.16     |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200304 | -1 | 1320 | CHESAPE | 56 | \$6,306.52 | 0 | 166667 | \$1,051.09 |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200304 | -1 | 1320 | CHESAPE | 56 | \$156.30   | 0 | 166667 | \$26.05    |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 5/16/2005  | 5804000 | 143 | \$7.46       |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | \$26.05      |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 10/15/2003 | 4800727 | 302 | \$1.08       |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | \$101.45     |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 9/15/2003  | 4800275 | 265 | \$11.33      |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | (\$959.81)   |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | (\$26.23)    |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | \$959.81     |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | \$26.23      |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 6/16/2003  | 3803417 | 177 | \$237.38     |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | (\$103.05)   |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | \$949.64     |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 7/15/2005  | 5805162 | 206 | \$0.11       |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 7/15/2003  | 3803915 | 209 | (\$178.15)   |        |
| MF099302 | 200304 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 6/16/2003  | 3803394 | 217 | \$103.05     |        |
| MF099302 | 200305 | -1 | 1320 | CHESAPE | 56 | \$31.93    | 0 | 166667 | \$5.32     |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200305 | -1 | 1320 | CHESAPE | 56 | \$278.38   | 0 | 166667 | \$46.06    |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200305 | -1 | 1320 | CHESAPE | 56 | \$6,501.53 | 0 | 166667 | \$1,083.59 |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200305 | -1 | 1320 | CHESAPE | 56 | \$460.25   | 0 | 166667 | \$76.71    |            |         | 0   | 0            | \$0.00 |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 5/16/2005  | 5804000 | 143 | \$4.14       |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 9/15/2003  | 4800275 | 265 | \$15.42      |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 7/15/2003  | 3803915 | 209 | \$59.23      |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | \$969.48     |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 8/7/2003   | 3804025 | 230 | \$120.95     |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 7/15/2005  | 5805162 | 206 | \$0.42       |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 7/14/2003  | 3803757 | 202 | \$127.67     |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 8/7/2003   | 3804025 | 230 | (\$127.67)   |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 8/7/2003   | 3804025 | 230 | \$962.64     |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE    | 8/7/2003   | 3804025 | 230 | (\$969.48)   |        |
| MF099302 | 200305 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK    | 10/15/2003 | 4800727 | 302 | \$2.82       |        |
| MF099302 | 200306 | -1 | 1320 | CHESAPE | 56 | \$264.42   | 0 | 166667 | \$44.07    |            |         | 0   | 0            | \$0.00 |

Gas\_Due\_vs\_Paid\_Detail

|                 |    |      |         |    |             |   |        |            |         |            |         |        |              |
|-----------------|----|------|---------|----|-------------|---|--------|------------|---------|------------|---------|--------|--------------|
| MF099302 200306 | -1 | 1320 | CHESAPE | 56 | \$7,215.89  | 0 | 166667 | \$1,202.65 |         | 0          | 0       | \$0.00 |              |
| MF099302 200306 | -1 | 1320 | CHESAPE | 56 | \$16,856.19 | 0 | 166667 | \$2,809.37 |         | 0          | 0       | \$0.00 |              |
| MF099302 200306 | -1 | 1320 | CHESAPE | 56 | \$521.25    | 0 | 166667 | \$86.88    |         | 0          | 0       | \$0.00 |              |
| MF099302 200306 | -1 | 1320 | CHESAPE | 56 | \$193.74    | 0 | 166667 | \$32.29    |         | 0          | 0       | \$0.00 |              |
| MF099302 200306 | -1 | 1320 | CHESAPE | 56 | \$308.66    | 0 | 166667 | \$51.44    |         | 0          | 0       | \$0.00 |              |
| MF099302 200306 | -1 | 1320 | CHESAPE | 56 | \$3,699.30  | 0 | 166667 | \$616.55   |         | 0          | 0       | \$0.00 |              |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 9/15/2005  | 6800470 | 269    | \$0.04       |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 10/15/2003 | 4800727 | 302    | \$8.20       |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 4/14/2004  | 4802989 | 119    | \$2,809.37   |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 1/15/2004  | 4801803 | 26     | \$608.93     |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 4/15/2004  | 4802961 | 119    | \$24.93      |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 8/7/2003   | 3804025 | 230    | \$44.07      |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 8/7/2003   | 3804025 | 230    | \$141.87     |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 8/7/2003   | 3804025 | 230    | \$1,078.08   |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 8/15/2003  | 3804248 | 238    | \$59.23      |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 5/16/2005  | 5804000 | 143    | \$2.10       |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | (\$141.87)   |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | \$1,074.30   |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | \$128.35     |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | (\$44.07)    |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | \$32.29      |
| MF099302 200306 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | (\$1,078.08) |
| MF099302 200307 | -1 | 1320 | CHESAPE | 56 | \$259.46    | 0 | 166667 | \$43.24    |         |            |         |        | \$0.00       |
| MF099302 200307 | -1 | 1320 | CHESAPE | 56 | \$460.71    | 0 | 166667 | \$76.79    |         |            |         |        | \$0.00       |
| MF099302 200307 | -1 | 1320 | CHESAPE | 56 | \$3,705.42  | 0 | 166667 | \$617.57   |         |            |         |        | \$0.00       |
| MF099302 200307 | -1 | 1320 | CHESAPE | 56 | \$6,574.61  | 0 | 166667 | \$1,095.77 |         |            |         |        | \$0.00       |
| MF099302 200307 | -1 | 1320 | CHESAPE | 56 | \$476.34    | 0 | 166667 | \$79.39    |         |            |         |        | \$0.00       |
| MF099302 200307 | -1 | 1320 | CHESAPE | 56 | \$17,267.67 | 0 | 166667 | \$2,877.95 |         |            |         |        | \$0.00       |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | \$969.62     |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 10/15/2003 | 4800665 | 302    | \$132.12     |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 6/1/2004   | 4803469 | 159    | \$24.32      |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | \$126.34     |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 1/15/2004  | 4801803 | 26     | \$600.29     |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 10/15/2003 | 4800665 | 302    | \$963.65     |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 9/15/2003  | 4800275 | 265    | \$59.23      |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 10/15/2003 | 4800665 | 302    | (\$969.62)   |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 10/15/2003 | 4800665 | 302    | \$79.39      |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 4/14/2004  | 4802989 | 119    | \$2,877.95   |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 10/15/2003 | 4800665 | 302    | (\$80.09)    |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 5/16/2005  | 5804000 | 143    | \$10.52      |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 9/12/2003  | 4800301 | 265    | \$80.09      |
| MF099302 200307 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 10/15/2003 | 4800665 | 302    | (\$126.34)   |
| MF099302 200308 | -1 | 1320 | CHESAPE | 56 | \$3,705.54  | 0 | 166667 | \$617.59   |         |            |         |        | \$0.00       |
| MF099302 200308 | -1 | 1320 | CHESAPE | 56 | \$416.01    | 0 | 166667 | \$69.34    |         |            |         |        | \$0.00       |
| MF099302 200308 | -1 | 1320 | CHESAPE | 56 | \$249.63    | 0 | 166667 | \$41.61    |         |            |         |        | \$0.00       |
| MF099302 200308 | -1 | 1320 | CHESAPE | 56 | \$3,104.87  | 0 | 166667 | \$517.48   |         |            |         |        | \$0.00       |
| MF099302 200308 | -1 | 1320 | CHESAPE | 56 | \$12,882.57 | 0 | 166667 | \$2,147.10 |         |            |         |        | \$0.00       |
| MF099302 200308 | -1 | 1320 | CHESAPE | 56 | \$5,393.51  | 0 | 166667 | \$898.92   |         |            |         |        | \$0.00       |
| MF099302 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 11/14/2003 | 4801034 | 328    | (\$535.12)   |
| MF099302 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 11/14/2003 | 4801081 | 328    | \$133.10     |
| MF099302 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 11/14/2003 | 4801034 | 328    | (\$812.46)   |
| MF099302 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 11/14/2003 | 4801034 | 328    | (\$104.65)   |
| MF099302 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | CHESAPE | 4/14/2004  | 4802989 | 119    | \$2,147.10   |
| MF099302 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 |        | \$0.00     | ANADARK | 10/15/2003 | 4800727 | 302    | \$59.23      |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |             |   |        |            |            |         |     |            |        |
|----------|--------|----|------|---------|----|-------------|---|--------|------------|------------|---------|-----|------------|--------|
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 11/14/2003 | 4801034 | 328 | \$517.48   |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 1/15/2004  | 4801803 | 26  | \$492.28   |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 11/14/2003 | 4801034 | 328 | \$794.06   |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 11/14/2003 | 4801034 | 328 | \$104.86   |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 10/15/2003 | 4800665 | 302 | \$812.46   |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 5/16/2005  | 5804000 | 143 | \$2.32     |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 10/15/2003 | 4800665 | 302 | \$535.12   |        |
| MF099302 | 200308 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 10/15/2003 | 4800665 | 302 | \$104.65   |        |
| MF099302 | 200309 | -1 | 1320 | CHESAPE | 56 | \$384.03    | 0 | 166667 | \$64.01    |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200309 | -1 | 1320 | CHESAPE | 56 | \$4,942.85  | 0 | 166667 | \$823.81   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200309 | -1 | 1320 | CHESAPE | 56 | \$3,143.03  | 0 | 166667 | \$523.84   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200309 | -1 | 1320 | CHESAPE | 56 | \$386.72    | 0 | 166667 | \$64.45    |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200309 | -1 | 1320 | CHESAPE | 56 | \$3,361.78  | 0 | 166667 | \$560.30   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200309 | -1 | 1320 | CHESAPE | 56 | \$11,269.72 | 0 | 166667 | \$1,878.29 |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 11/14/2003 | 4801034 | 328 | \$726.21   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | (\$571.08) |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | (\$115.19) |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | \$103.41   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 12/15/2003 | 4801394 | 40  | \$106.03   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | \$523.84   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | (\$726.21) |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 5/16/2005  | 5804000 | 143 | (\$64.88)  |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 11/14/2003 | 4801081 | 328 | \$192.33   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004  | 4802989 | 119 | \$1,878.29 |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 11/14/2003 | 4801034 | 328 | \$571.08   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | \$720.40   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 11/14/2003 | 4801034 | 328 | \$115.19   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 1/15/2004  | 4801803 | 26  | \$432.44   |        |
| MF099302 | 200309 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 6/7/2004   | 4803518 | 166 | (\$41.61)  |        |
| MF099302 | 200310 | -1 | 1320 | CHESAPE | 56 | \$2,594.84  | 0 | 166667 | \$432.47   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200310 | -1 | 1320 | CHESAPE | 56 | \$333.59    | 0 | 166667 | \$55.60    |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200310 | -1 | 1320 | CHESAPE | 56 | \$4,261.25  | 0 | 166667 | \$710.21   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200310 | -1 | 1320 | CHESAPE | 56 | \$1,809.00  | 0 | 166667 | \$301.50   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200310 | -1 | 1320 | CHESAPE | 56 | \$9,327.04  | 0 | 166667 | \$1,554.51 |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | \$92.59    |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 1/15/2004  | 4801803 | 26  | \$295.78   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | (\$98.16)  |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | \$336.83   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | \$622.46   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 12/12/2003 | 4801429 | 357 | \$98.16    |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | (\$336.83) |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 12/15/2003 | 4801394 | 40  | \$192.30   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | \$617.62   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 5/16/2005  | 5804000 | 143 | (\$0.01)   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | \$301.50   |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004  | 4802989 | 119 | \$1,554.51 |        |
| MF099302 | 200310 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | (\$622.46) |        |
| MF099302 | 200311 | -1 | 1320 | CHESAPE | 56 | \$8,140.90  | 0 | 166667 | \$1,356.82 |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200311 | -1 | 1320 | CHESAPE | 56 | \$3,420.35  | 0 | 166667 | \$570.06   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200311 | -1 | 1320 | CHESAPE | 56 | \$268.55    | 0 | 166667 | \$44.76    |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200311 | -1 | 1320 | CHESAPE | 56 | \$1,589.88  | 0 | 166667 | \$264.98   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200311 | -1 | 1320 | CHESAPE | 56 | \$2,270.70  | 0 | 166667 | \$378.45   |            |         | 0   | 0          | \$0.00 |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004  | 4801743 | 26  | \$487.05   |        |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 2/17/2004  | 4802113 | 56  | (\$68.31)  |        |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |             |   |        |            |           |         |     |            |
|----------|--------|----|------|---------|----|-------------|---|--------|------------|-----------|---------|-----|------------|
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | (\$279.52) |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | \$264.98   |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | (\$487.05) |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | \$482.60   |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | \$87.46    |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 1/15/2004 | 4801803 | 26  | \$491.52   |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004 | 4801743 | 26  | \$279.52   |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | \$1,356.82 |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | (\$107.17) |
| MF099302 | 200311 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 1/15/2004 | 4801743 | 26  | \$107.17   |
| MF099302 | 200312 | -1 | 1320 | CHESAPE | 56 | \$2,385.40  | 0 | 166667 | \$397.57   |           |         | 0   | \$0.00     |
| MF099302 | 200312 | -1 | 1320 | CHESAPE | 56 | \$8,347.24  | 0 | 166667 | \$1,391.21 |           |         | 0   | \$0.00     |
| MF099302 | 200312 | -1 | 1320 | CHESAPE | 56 | \$339.83    | 0 | 166667 | \$56.64    |           |         | 0   | \$0.00     |
| MF099302 | 200312 | -1 | 1320 | CHESAPE | 56 | \$4,333.01  | 0 | 166667 | \$722.17   |           |         | 0   | \$0.00     |
| MF099302 | 200312 | -1 | 1320 | CHESAPE | 56 | \$1,919.40  | 0 | 166667 | \$319.90   |           |         | 0   | \$0.00     |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | (\$191.56) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | (\$326.53) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | (\$180.99) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | \$607.03   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | (\$189.02) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 2/17/2004 | 4802113 | 56  | \$462.66   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$191.56   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | \$326.53   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 2/13/2004 | 4802152 | 56  | \$120.27   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$319.90   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | \$180.99   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | (\$184.74) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | \$189.02   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | (\$37.95)  |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$598.98   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | (\$38.88)  |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | (\$607.03) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | \$38.88    |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | \$1,391.21 |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$37.95    |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 3/15/2004 | 4802557 | 82  | (\$8.45)   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | (\$120.27) |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$184.74   |
| MF099302 | 200312 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$123.19   |
| MF099302 | 200401 | -1 | 1320 | CHESAPE | 56 | \$359.99    | 0 | 166667 | \$60.00    |           |         | 0   | \$0.00     |
| MF099302 | 200401 | -1 | 1320 | CHESAPE | 56 | \$4,654.85  | 0 | 166667 | \$775.81   |           |         | 0   | \$0.00     |
| MF099302 | 200401 | -1 | 1320 | CHESAPE | 56 | \$2,678.44  | 0 | 166667 | \$446.41   |           |         | 0   | \$0.00     |
| MF099302 | 200401 | -1 | 1320 | CHESAPE | 56 | \$11,590.36 | 0 | 166667 | \$1,931.73 |           |         | 0   | \$0.00     |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 6/7/2004  | 4803496 | 166 | \$441.49   |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | \$1,502.36 |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | (\$143.38) |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | \$249.79   |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | \$146.52   |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | \$629.29   |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | (\$635.61) |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 3/5/2004  | 4802360 | 75  | \$45.25    |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | CHESAPE    | 4/14/2004 | 4802989 | 119 | (\$441.49) |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 3/15/2004 | 4802557 | 82  | \$423.98   |
| MF099302 | 200401 | 0  | 1320 |         | 0  | \$0.00      | 0 | \$0.00 | ANADARK    | 4/15/2004 | 4802961 | 119 | \$84.86    |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |        |            |          |            |           |           |         |            |              |
|----------|--------|----|------|---------|--------|------------|----------|------------|-----------|-----------|---------|------------|--------------|
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/5/2004  | 4802360   | 75      | \$200.58   |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | \$635.61   |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 5/16/2005 | 5804000   | 143     | (\$2.43)   |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | (\$45.25)  |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | (\$249.79) |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | (\$200.58) |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 4/14/2004 | 4802989   | 119     | \$429.37   |              |
| MF099302 | 200401 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | \$143.38   |              |
| MF099302 | 200402 | -1 | 1320 | CHESAPE | 56     | \$9,050.86 | 0.166667 | \$1,508.48 |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200402 | -1 | 1320 | CHESAPE | 56     | \$3,627.35 | 0.166667 | \$604.56   |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200402 | -1 | 1320 | CHESAPE | 56     | \$282.85   | 0.166667 | \$47.14    |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200402 | -1 | 1320 | CHESAPE | 56     | \$2,105.59 | 0.166667 | \$350.93   |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$1,181.24   |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 4/14/2004 | 4802989 | 119        | \$334.83     |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | (\$334.83)   |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | (\$1,182.10) |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$327.24     |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/14/2004 | 4803259 | 166        | (\$74.32)    |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | (\$498.82)   |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 4/14/2004 | 4802989 | 119        | \$1,182.10   |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$495.89     |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 4/14/2004 | 4802989 | 119        | \$110.07     |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | (\$110.07)   |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$108.67     |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 4/14/2004 | 4802989 | 119        | \$498.82     |
| MF099302 | 200402 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 4/15/2004 | 4802961 | 119        | \$472.39     |
| MF099302 | 200403 | -1 | 1320 | CHESAPE | 56     | \$228.34   | 0.166667 | \$38.06    |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200403 | -1 | 1320 | CHESAPE | 56     | \$1,871.84 | 0.166667 | \$311.97   |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200403 | -1 | 1320 | CHESAPE | 56     | \$7,992.34 | 0.166667 | \$1,332.06 |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200403 | -1 | 1320 | CHESAPE | 56     | \$2,902.61 | 0.166667 | \$483.77   |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | \$111.00     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/14/2004 | 4803259 | 166        | \$364.46     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | (\$290.62)   |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | \$1,049.44   |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | (\$396.39)   |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | \$372.77     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | \$282.62     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | (\$107.45)   |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 5/16/2005 | 5804000 | 143        | (\$0.01)     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 6/15/2004 | 4803836 | 180        | (\$14.42)    |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | (\$1,053.66) |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$107.45     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$290.62     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$396.39     |
| MF099302 | 200403 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 5/6/2004  | 4803081 | 138        | \$1,053.66   |
| MF099302 | 200404 | -1 | 1320 | CHESAPE | 56     | \$1,721.38 | 0.166667 | \$286.90   |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200404 | -1 | 1320 | CHESAPE | 56     | \$7,442.51 | 0.166667 | \$1,240.42 |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200404 | -1 | 1320 | CHESAPE | 56     | \$343.73   | 0.166667 | \$57.29    |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200404 | -1 | 1320 | CHESAPE | 56     | \$4,394.57 | 0.166667 | \$732.43   |           |           | 0       | 0          | \$0.00       |
| MF099302 | 200404 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | (\$1,055.97) |
| MF099302 | 200404 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | ANADARK   | 6/15/2004 | 4803836 | 180        | \$379.44     |
| MF099302 | 200404 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | \$626.44     |
| MF099302 | 200404 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 6/7/2004  | 4803496 | 166        | \$196.46     |
| MF099302 | 200404 | 0  | 1320 |         | 0      | \$0.00     | 0        | \$0.00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | \$198.41     |

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|                 |    |      |         |        |            |          |            |           |           |         |            |              |
|-----------------|----|------|---------|--------|------------|----------|------------|-----------|-----------|---------|------------|--------------|
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 7/2/2004  | 4803987   | 194     | (\$196 46) |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 7/2/2004  | 4803987   | 194     | \$105 99   |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | \$106 46   |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 7/2/2004  | 4803987   | 194     | (\$622 68) |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | ANADARK    | 7/15/2004 | 4804236   | 208     | (\$35 25)  |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 7/2/2004  | 4803987   | 194     | \$1,042 01 |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | \$622 68   |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 6/7/2004  | 4803496   | 166     | \$1,055 97 |              |
| MF099302 200404 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE    | 7/2/2004  | 4803987   | 194     | (\$106 46) |              |
| MF099302 200405 | -1 | 1320 | CHESAPE | 56     | \$5,265 59 | 0 166667 | \$877 60   |           |           | 0 0     | \$0 00     |              |
| MF099302 200405 | -1 | 1320 | CHESAPE | 56     | \$405 73   | 0 166667 | \$67 62    |           |           | 0 0     | \$0 00     |              |
| MF099302 200405 | -1 | 1320 | CHESAPE | 56     | \$7,472 63 | 0 166667 | \$1,245 44 |           |           | 0 0     | \$0 00     |              |
| MF099302 200405 | -1 | 1320 | CHESAPE | 56     | \$1,700 75 | 0 166667 | \$283 46   |           |           | 0 0     | \$0 00     |              |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | (\$94 39)    |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | ANADARK   | 8/16/2004 | 4804527 | 233        | (\$26 28)    |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | (\$768 47)   |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$94 14      |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | \$1,150 62   |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | (\$119 46)   |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$1,151 30   |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | (\$1,150 62) |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | ANADARK   | 7/15/2004 | 4804236 | 208        | \$377 36     |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$760 10     |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | \$119 46     |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | \$768 47     |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 7/2/2004  | 4803987 | 194        | \$94 39      |
| MF099302 200405 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$117 50     |
| MF099302 200406 | -1 | 1320 | CHESAPE | 56     | \$8,947 00 | 0 166667 | \$1,491 17 |           |           | 0 0     | \$0 00     |              |
| MF099302 200406 | -1 | 1320 | CHESAPE | 56     | \$5,433 65 | 0 166667 | \$905 61   |           |           | 0 0     | \$0 00     |              |
| MF099302 200406 | -1 | 1320 | CHESAPE | 56     | \$2,026 38 | 0 166667 | \$337 73   |           |           | 0 0     | \$0 00     |              |
| MF099302 200406 | -1 | 1320 | CHESAPE | 56     | \$414 94   | 0 166667 | \$69 16    |           |           | 0 0     | \$0 00     |              |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$288 35     |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$1,202 82   |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | ANADARK   | 9/15/2004 | 5800396 | 271        | \$9 81       |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$1,205 50   |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | (\$1,205 50) |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | ANADARK   | 8/16/2004 | 4804527 | 233        | \$397 08     |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$134 20     |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | (\$298 59)   |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$796 97     |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | (\$796 97)   |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 8/5/2004  | 4804382 | 229        | \$298 59     |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | (\$134 20)   |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$781 69     |
| MF099302 200406 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$123 92     |
| MF099302 200407 | -1 | 1320 | CHESAPE | 56     | \$356 60   | 0 166667 | \$59 43    |           |           | 0 0     | \$0 00     |              |
| MF099302 200407 | -1 | 1320 | CHESAPE | 56     | \$1,789 08 | 0 166667 | \$298 18   |           |           | 0 0     | \$0 00     |              |
| MF099302 200407 | -1 | 1320 | CHESAPE | 56     | \$7,766 86 | 0 166667 | \$1,294 48 |           |           | 0 0     | \$0 00     |              |
| MF099302 200407 | -1 | 1320 | CHESAPE | 56     | \$4,608 41 | 0 166667 | \$768 07   |           |           | 0 0     | \$0 00     |              |
| MF099302 200407 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$963 90     |
| MF099302 200407 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$341 43     |
| MF099302 200407 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$115 97     |
| MF099302 200407 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 10/5/2004 | 5800466 | 285        | (\$115 97)   |
| MF099302 200407 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00     | CHESAPE   | 9/3/2004  | 5800120 | 257        | \$675 01     |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |            |          |            |         |            |         |     |            |
|----------|--------|----|------|---------|----|------------|----------|------------|---------|------------|---------|-----|------------|
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$104.04   |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | (\$675.01) |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | (\$341.43) |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$328.95   |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$965.53   |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | (\$963.90) |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 10/15/2004 | 5800734 | 299 | (\$78.80)  |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$664.03   |
| MF099302 | 200407 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 9/15/2004  | 5800396 | 271 | \$436.41   |
| MF099302 | 200408 | -1 | 1320 | CHESAPE | 56 | \$1,664.28 | 0.166667 | \$277.38   |         |            |         | 0   | \$0.00     |
| MF099302 | 200408 | -1 | 1320 | CHESAPE | 56 | \$7,200.35 | 0.166667 | \$1,200.06 |         |            |         | 0   | \$0.00     |
| MF099302 | 200408 | -1 | 1320 | CHESAPE | 56 | \$343.71   | 0.166667 | \$57.29    |         |            |         | 0   | \$0.00     |
| MF099302 | 200408 | -1 | 1320 | CHESAPE | 56 | \$4,438.19 | 0.166667 | \$739.70   |         |            |         | 0   | \$0.00     |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$107.34   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$350.21   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 10/15/2004 | 5800734 | 299 | \$412.88   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | (\$861.21) |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$639.46   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$860.77   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | (\$639.46) |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$632.36   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$108.02   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | (\$108.02) |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | (\$350.21) |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 10/5/2004  | 5800466 | 285 | \$861.21   |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 11/15/2004 | 5801128 | 327 | (\$78.21)  |
| MF099302 | 200408 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$339.29   |
| MF099302 | 200409 | -1 | 1320 | CHESAPE | 56 | \$1,221.35 | 0.166667 | \$203.56   |         |            |         | 0   | \$0.00     |
| MF099302 | 200409 | -1 | 1320 | CHESAPE | 56 | \$3,380.21 | 0.166667 | \$563.37   |         |            |         | 0   | \$0.00     |
| MF099302 | 200409 | -1 | 1320 | CHESAPE | 56 | \$263.53   | 0.166667 | \$43.92    |         |            |         | 0   | \$0.00     |
| MF099302 | 200409 | -1 | 1320 | CHESAPE | 56 | \$5,266.79 | 0.166667 | \$877.80   |         |            |         | 0   | \$0.00     |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | \$655.63   |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | (\$495.98) |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 11/15/2004 | 5801128 | 327 | \$336.53   |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | (\$653.77) |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | \$73.90    |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | (\$75.39)  |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | -\$222.17  |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$75.39    |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$495.98   |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$228.04   |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 12/15/2004 | 5801517 | 356 | (\$89.05)  |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 11/5/2004  | 5800919 | 320 | \$653.77   |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | (\$228.04) |
| MF099302 | 200409 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | \$489.47   |
| MF099302 | 200410 | -1 | 1320 | CHESAPE | 56 | \$253.42   | 0.166667 | \$42.24    |         |            |         | 0   | \$0.00     |
| MF099302 | 200410 | -1 | 1320 | CHESAPE | 56 | \$3,260.63 | 0.166667 | \$543.44   |         |            |         | 0   | \$0.00     |
| MF099302 | 200410 | -1 | 1320 | CHESAPE | 56 | \$5,497.13 | 0.166667 | \$916.19   |         |            |         | 0   | \$0.00     |
| MF099302 | 200410 | -1 | 1320 | CHESAPE | 56 | \$1,264.85 | 0.166667 | \$210.81   |         |            |         | 0   | \$0.00     |
| MF099302 | 200410 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 12/3/2004  | 5801445 | 345 | \$654.03   |
| MF099302 | 200410 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/5/2005   | 5801891 | 18  | \$77.09    |
| MF099302 | 200410 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/5/2005   | 5801891 | 18  | (\$76.80)  |
| MF099302 | 200410 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | CHESAPE | 1/5/2005   | 5801891 | 18  | \$466.35   |
| MF099302 | 200410 | 0  | 1320 |         | 0  | \$0.00     | 0        | \$0.00     | ANADARK | 12/15/2004 | 5801517 | 356 | \$291.98   |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |        |            |          |            |           |         |     |            |
|----------|--------|----|------|---------|--------|------------|----------|------------|-----------|---------|-----|------------|
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | (\$472.06) |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | \$268.75   |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | (\$281.59) |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | \$647.44   |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | (\$654.03) |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 12/3/2004 | 5801445 | 345 | \$281.59   |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 12/3/2004 | 5801445 | 345 | \$472.06   |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 12/3/2004 | 5801445 | 345 | \$76.80    |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 1/14/2005 | 5802121 | 24  | (\$35.50)  |
| MF099302 | 200410 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 9/15/2005 | 6800470 | 269 | (\$3.43)   |
| MF099302 | 200411 | -1 | 1320 | CHESAPE | 56     | \$4,477.61 | 0 166667 | \$746.27   |           |         | 0   | \$0.00     |
| MF099302 | 200411 | -1 | 1320 | CHESAPE | 56     | \$6,914.39 | 0 166667 | \$1,152.40 |           |         | 0   | \$0.00     |
| MF099302 | 200411 | -1 | 1320 | CHESAPE | 56     | \$343.77   | 0 166667 | \$57.30    |           |         | 0   | \$0.00     |
| MF099302 | 200411 | -1 | 1320 | CHESAPE | 56     | \$1,598.03 | 0 166667 | \$266.34   |           |         | 0   | \$0.00     |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$616.79   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | \$862.68   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 2/15/2005 | 5802570 | 56  | (\$105.48) |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | \$305.43   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | (\$119.52) |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | \$597.18   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$304.39   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | (\$597.18) |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | (\$305.43) |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$848.01   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | (\$862.68) |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$129.48   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 1/14/2005 | 5802121 | 24  | \$429.12   |
| MF099302 | 200411 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 1/5/2005  | 5801891 | 18  | \$119.52   |
| MF099302 | 200412 | -1 | 1320 | CHESAPE | 56     | \$3,957.17 | 0 166667 | \$659.53   |           |         | 0   | \$0.00     |
| MF099302 | 200412 | -1 | 1320 | CHESAPE | 56     | \$1,461.75 | 0 166667 | \$243.63   |           |         | 0   | \$0.00     |
| MF099302 | 200412 | -1 | 1320 | CHESAPE | 56     | \$302.91   | 0 166667 | \$50.49    |           |         | 0   | \$0.00     |
| MF099302 | 200412 | -1 | 1320 | CHESAPE | 56     | \$6,297.95 | 0 166667 | \$1,049.66 |           |         | 0   | \$0.00     |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | \$103.03   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | (\$553.97) |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | (\$90.00)  |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$90.00    |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 3/15/2005 | 5802922 | 80  | \$26.75    |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | (\$326.75) |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | (\$752.82) |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | ANADARK    | 2/15/2005 | 5802570 | 56  | \$267.37   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | \$556.50   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$752.82   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | \$733.63   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$326.75   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 2/4/2005  | 5802376 | 45  | \$553.97   |
| MF099302 | 200412 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | \$316.03   |
| MF099302 | 200501 | -1 | 1320 | CHESAPE | 56     | \$1,180.45 | 0 166667 | \$196.74   |           |         | 0   | \$0.00     |
| MF099302 | 200501 | -1 | 1320 | CHESAPE | 56     | \$3,557.93 | 0 166667 | \$592.99   |           |         | 0   | \$0.00     |
| MF099302 | 200501 | -1 | 1320 | CHESAPE | 56     | \$5,054.69 | 0 166667 | \$842.45   |           |         | 0   | \$0.00     |
| MF099302 | 200501 | -1 | 1320 | CHESAPE | 56     | \$274.19   | 0 166667 | \$45.70    |           |         | 0   | \$0.00     |
| MF099302 | 200501 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 3/4/2005  | 5802815 | 73  | \$258.84   |
| MF099302 | 200501 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 4/5/2005  | 5803241 | 101 | \$138.14   |
| MF099302 | 200501 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 4/5/2005  | 5803241 | 101 | (\$133.10) |
| MF099302 | 200501 | 0  | 1320 | 0       | \$0.00 | 0          | \$0.00   | CHESAPE    | 4/5/2005  | 5803241 | 101 | \$454.85   |

Gas\_Due\_vs\_Paid\_Detail

|                 |    |      |         |        |            |          |          |           |           |         |            |            |
|-----------------|----|------|---------|--------|------------|----------|----------|-----------|-----------|---------|------------|------------|
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 4/5/2005  | 5803241   | 101     | (\$460 24) |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 3/4/2005  | 5802815   | 73      | \$133.10   |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 4/5/2005  | 5803241   | 101     | (\$607.31) |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 3/4/2005  | 5802815   | 73      | \$607.31   |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 4/5/2005  | 5803241   | 101     | \$253.05   |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 3/4/2005  | 5802815   | 73      | \$460.24   |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 4/5/2005  | 5803241   | 101     | (\$258.84) |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | ANADARK  | 3/15/2005 | 5802922   | 80      | \$245.35   |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | ANADARK  | 4/15/2005 | 5803611   | 117     | (\$2.91)   |            |
| MF099302 200501 | 0  | 1320 | 0       | \$0 00 | 0          | \$0 00   | CHESAPE  | 4/5/2005  | 5803241   | 101     | \$589.40   |            |
| MF099302 200502 | -1 | 1320 | CHESAPE | 56     | \$4,155.29 | 0 166667 | \$692.55 |           |           | 0 0     | \$0 00     |            |
| MF099302 200502 | -1 | 1320 | CHESAPE | 56     | \$967.38   | 0 166667 | \$161.23 |           |           | 0 0     | \$0 00     |            |
| MF099302 200502 | -1 | 1320 | CHESAPE | 56     | \$3,006.77 | 0 166667 | \$501.13 |           |           | 0 0     | \$0 00     |            |
| MF099302 200502 | -1 | 1320 | CHESAPE | 56     | \$233.82   | 0 166667 | \$38.97  |           |           | 0 0     | \$0 00     |            |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$31.08    |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$127.06   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$204.65   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$402.64   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$98.49    |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | (\$100.02) |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | (\$31.57)  |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | (\$130.34) |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | (\$498.46) |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | (\$413.02) |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | (\$211.37) |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | ANADARK   | 4/15/2005 | 5803611 | 117        | \$227.91   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 4/5/2005  | 5803241 | 101        | \$100.02   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 4/5/2005  | 5803241 | 101        | \$498.46   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 4/5/2005  | 5803241 | 101        | \$211.37   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 4/5/2005  | 5803241 | 101        | \$413.02   |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | ANADARK   | 5/16/2005 | 5804000 | 143        | (\$27.71)  |
| MF099302 200502 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$487.90   |
| MF099302 200503 | -1 | 1320 | CHESAPE | 56     | \$3,219.11 | 0 166667 | \$536.52 |           |           | 0 0     | \$0 00     |            |
| MF099302 200503 | -1 | 1320 | CHESAPE | 56     | \$854.16   | 0 166667 | \$142.36 |           |           | 0 0     | \$0 00     |            |
| MF099302 200503 | -1 | 1320 | CHESAPE | 56     | \$3,695.15 | 0 166667 | \$615.86 |           |           | 0 0     | \$0 00     |            |
| MF099302 200503 | -1 | 1320 | CHESAPE | 56     | \$250.06   | 0 166667 | \$41.68  |           |           | 0 0     | \$0 00     |            |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | (\$495.30) |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$84.37    |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$462.14   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$128.85   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$495.30   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | ANADARK   | 5/16/2005 | 5804000 | 143        | \$197.79   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$26.63    |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | \$485.23   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | ANADARK   | 6/15/2005 | 5804688 | 179        | (\$12.54)  |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | \$130.63   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | (\$462.14) |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | \$455.56   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | (\$84.37)  |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 5/18/2005 | 5804184 | 147        | \$145.85   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | \$80.96    |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | ANADARK   | 8/15/2005 | 5805648 | 234        | (\$1.21)   |
| MF099302 200503 | 0  | 1320 |         | 0      | \$0 00     | 0        | \$0 00   | CHESAPE   | 6/15/2005 | 5804617 | 179        | (\$128.85) |
| MF099302 200504 | -1 | 1320 | CHESAPE | 56     | \$936.86   | 0 166667 | \$139.48 |           |           | 0 0     | \$0 00     |            |

Gas\_Due\_vs\_Paid\_Detail

|          |        |    |      |         |    |            |   |        |          |           |         |     |   |            |
|----------|--------|----|------|---------|----|------------|---|--------|----------|-----------|---------|-----|---|------------|
| MF099302 | 200504 | -1 | 1320 | CHESAPE | 56 | \$3,655.61 | 0 | 166667 | \$609.27 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200504 | -1 | 1320 | CHESAPE | 56 | \$269.82   | 0 | 166667 | \$44.97  |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200504 | -1 | 1320 | CHESAPE | 56 | \$3,327.71 | 0 | 166667 | \$554.62 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$68.56    |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | (\$540.37) |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | (\$68.51)  |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$537.26) |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | (\$479.62) |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$537.26   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK  | 6/15/2005 | 5804688 | 179 |   | \$266.01   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$540.71   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | (\$106.65) |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK  | 7/15/2005 | 5805162 | 206 |   | (\$81.56)  |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$104.81   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 6/15/2005 | 5804617 | 179 |   | \$479.62   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 6/15/2005 | 5804617 | 179 |   | \$106.65   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 6/15/2005 | 5804617 | 179 |   | \$68.51    |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$449.81   |
| MF099302 | 200504 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 6/15/2005 | 5804617 | 179 |   | \$540.37   |
| MF099302 | 200505 | -1 | 1320 | CHESAPE | 56 | \$3,316.43 | 0 | 166667 | \$552.74 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200505 | -1 | 1320 | CHESAPE | 56 | \$262.08   | 0 | 166667 | \$43.68  |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200505 | -1 | 1320 | CHESAPE | 56 | \$4,369.19 | 0 | 166667 | \$728.20 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200505 | -1 | 1320 | CHESAPE | 56 | \$922.35   | 0 | 166667 | \$153.73 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | \$90.87    |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$555.16   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | (\$119.63) |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$118.59   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | \$554.11   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$90.87)  |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$471.82) |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$89.26    |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK  | 7/15/2005 | 5805162 | 206 |   | \$211.63   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$120.72) |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$463.48   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | \$120.72   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$119.63   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | (\$493.07) |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$493.07   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 7/5/2005  | 5804777 | 194 |   | \$90.29    |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | \$471.82   |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | ANADARK  | 8/15/2005 | 5805648 | 234 |   | (\$14.22)  |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | (\$555.16) |
| MF099302 | 200505 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 8/5/2005  | 5805385 | 224 |   | (\$90.29)  |
| MF099302 | 200506 | -1 | 1320 | CHESAPE | 56 | \$261.42   | 0 | 166667 | \$43.57  |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200506 | -1 | 1320 | CHESAPE | 56 | \$2,968.55 | 0 | 166667 | \$494.76 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200506 | -1 | 1320 | CHESAPE | 56 | \$711.15   | 0 | 166667 | \$118.53 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200506 | -1 | 1320 | CHESAPE | 56 | \$3,311.75 | 0 | 166667 | \$551.96 |           |         | 0   | 0 | \$0.00     |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$91.26)  |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$405.17   |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$89.59    |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$462.47) |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | \$83.80    |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$409.63) |
| MF099302 | 200506 | 0  | 1320 |         | 0  | \$0.00     | 0 | \$0.00 | CHESAPE  | 9/13/2005 | 6800262 | 262 |   | (\$84.47)  |

Gas\_Due\_vs\_Paid\_Detail

|                 |                 |    |            |          |          |         |            |         |     |           |
|-----------------|-----------------|----|------------|----------|----------|---------|------------|---------|-----|-----------|
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 8/5/2005   | 5805385 | 224 | \$409 63  |
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 9/13/2005  | 6800262 | 262 | \$468 16  |
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 8/5/2005   | 5805385 | 224 | \$84 47   |
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 8/5/2005   | 5805385 | 224 | \$462 47  |
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 8/5/2005   | 5805385 | 224 | \$91 26   |
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | ANADARK | 9/15/2005  | 6800470 | 269 | (\$69 28) |
| MF099302 200506 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | ANADARK | 8/15/2005  | 5805648 | 234 | \$231 38  |
| MF099302 200507 | -1 1320 CHESAPE | 56 | \$2,739 89 | 0 166667 | \$456 65 |         |            |         | 0 0 | \$0 00    |
| MF099302 200507 | -1 1320 CHESAPE | 56 | \$130 61   | 0 166667 | \$21 77  |         |            |         | 0 0 | \$0 00    |
| MF099302 200507 | -1 1320 CHESAPE | 56 | \$1,588 74 | 0 166667 | \$264 79 |         |            |         | 0 0 | \$0 00    |
| MF099302 200507 | -1 1320 CHESAPE | 56 | \$666 18   | 0 166667 | \$111 03 |         |            |         | 0 0 | \$0 00    |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 9/13/2005  | 6800262 | 262 | \$189 94  |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | ANADARK | 10/14/2005 | 6800973 | 294 | (\$95 05) |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | ANADARK | 9/15/2005  | 6800470 | 269 | \$227 85  |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 10/12/2005 | 6800596 | 290 | (\$32 63) |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 9/13/2005  | 6800262 | 262 | \$94 65   |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 9/13/2005  | 6800262 | 262 | \$380 56  |
| MF099302 200507 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 9/13/2005  | 6800262 | 262 | \$88 92   |
| MF099302 200508 | -1 1320 CHESAPE | 56 | \$1,829 70 | 0 166667 | \$304 95 |         |            |         | 0 0 | \$0 00    |
| MF099302 200508 | -1 1320 CHESAPE | 56 | \$659 81   | 0 166667 | \$109 97 |         |            |         | 0 0 | \$0 00    |
| MF099302 200508 | -1 1320 CHESAPE | 56 | \$143 36   | 0 166667 | \$23 89  |         |            |         | 0 0 | \$0 00    |
| MF099302 200508 | -1 1320 CHESAPE | 56 | \$2,739 95 | 0 166667 | \$456 66 |         |            |         | 0 0 | \$0 00    |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | ANADARK | 10/14/2005 | 6800973 | 294 | \$166 02  |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 10/12/2005 | 6800596 | 290 | \$108 88  |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 11/15/2005 | 6801381 | 325 | (\$6 16)  |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 11/15/2005 | 6801381 | 325 | (\$4 65)  |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | ANADARK | 11/15/2005 | 6801489 | 325 | (\$32 16) |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 10/12/2005 | 6800596 | 290 | \$312 27  |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 10/12/2005 | 6800596 | 290 | \$147 96  |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 9/14/2006  | 7800502 | 268 | \$2 59    |
| MF099302 200508 | 0 1320          | 0  | \$0 00     | 0        | \$0 00   | CHESAPE | 10/12/2005 | 6800596 | 290 | \$200 72  |

File No. 99302

(13)

Date Filed: 12/22/08

Jerry E. Patterson, Commissioner

By JK

**Energy Financial Management  
SMAR Activity / Invoicing Approval**

Auditor/Account Examiner: METHA KESTER  
 Company Name: CHESAPEAKE OPERATING INC.  
 Customer Number: C000025243  
 Mineral File #: MF099302 AND 100655  
 Transaction Type: RECONCILIATION  
 Invoice #: MLBB0011  
 Other:

| Previous Amount | Current Amount | Date    | AE / Reviewer's Notes                                      | Reviewer's Signature         | AR Notes                                       |
|-----------------|----------------|---------|--|------------------------------|--|
| \$80,372.29     | -0-            | 9/13/10 | Operator amended GLO2 reports and made additional payments | <i>Gal King</i><br>9/14/2010 | Ken Howard BF<br>T:1 Pastore Directory history |
|                 |                |         |  | <i>[Signature]</i>           | Imported file does not match AE's schedule.    |
|                 |                |         |  |                              |  |
|                 |                |         |  |                              |  |

All original invoices must be approved.  
 All reduction in billing of more than \$1000 must be approved.

9/3/10

**Outstanding Reconciliation Invoices**

|                             | Date Billed | Mineral File        | Amount Billed      | Total Due   |
|-----------------------------|-------------|---------------------|--------------------|-------------|
| <b>Invoice MLBB0010</b>     |             |                     |                    |             |
| Royalty, Penalty & Interest | 10/31/2008  | MF095832            | \$6,699.91         |             |
| Royalty, Penalty & Interest | 10/31/2008  | MF095832            | (\$6,699.91)       |             |
| Royalty, Penalty & Interest | 4/7/2010    | MF095832            | \$2,881.19         |             |
| Oct 2009 Interest           | 11/18/2009  | MF095832            | \$55.12            |             |
| Interest Adjustment         | 11/18/2009  | MF095832            | (\$323.60)         |             |
| Nov 2009 Interest           | 12/14/2009  | MF095832            | \$53.34            |             |
| Dec 2009 Interest           | 12/31/2009  | MF095832            | \$55.12            |             |
| Jan 2010 Interest           | 1/31/2010   | MF095832            | \$55.12            |             |
| Feb 2010 Interest           | 2/28/2010   | MF095832            | \$49.78            |             |
| Mar 2010 Interest           | 3/28/2010   | MF095832            | \$49.78            |             |
| Interest Adjustment         | 3/28/2010   | MF095832            | (\$49.78)          |             |
| Mar 2010 Interest           | 3/31/2010   | MF095832            | \$55.12            |             |
| Apr 2010 Interest           | 4/30/2010   | MF095832            | \$18.48            |             |
| Interest Adjustment         | 4/30/2010   | MF095832            | (\$18.48)          |             |
| May 2010 Interest           | 5/31/2010   | MF095832            | \$19.10            |             |
| Jun 2010 Interest           | 6/30/2010   | MF095832            | \$18.48            |             |
| Jul 2010 Interest           | 7/31/2010   | MF095832            | \$19.10            |             |
|                             |             |                     |                    | \$2,937.87  |
| <b>Invoice MLBB0011</b>     |             |                     |                    |             |
| Royalty, Penalty & Interest | 10/10/2008  | <del>MF099302</del> | <u>\$75,939.97</u> |             |
| Oct 2009 Interest           | 11/18/2009  | MF099302            | \$451.98           |             |
| Nov 2009 Interest           | 12/14/2009  | MF099302            | \$437.40           |             |
| Dec 2009 Interest           | 12/31/2009  | MF099302            | \$451.98           |             |
| Jan 2010 Interest           | 1/31/2010   | MF099302            | \$451.98           |             |
| Feb 2010 Interest           | 2/28/2010   | MF099302            | \$408.24           |             |
| Mar 2010 Interest           | 3/28/2010   | MF099302            | \$408.24           |             |
| Interest Adjustment         | 3/28/2010   | MF099302            | (\$408.24)         |             |
| Mar 2010 Interest           | 3/31/2010   | MF099302            | \$451.98           |             |
| Apr 2010 Interest           | 4/30/2010   | MF099302            | \$437.40           |             |
| May 2010 Interest           | 5/31/2010   | MF099302            | \$451.98           |             |
| Jun 2010 Interest           | 6/30/2010   | MF099302            | \$437.40           |             |
| Jul 2010 Interest           | 7/31/2010   | MF099302            | \$451.98           |             |
|                             |             |                     |                    | \$80,372.29 |

*Impated file*

CHESAPEAKE OPERATING, INC  
 STATE LEASE M-099302 AND 100655  
 GIDDINGS (AUSTIN CHALK, GAS)  
 WEISS LEASE UNIT 2925  
 WASHINGTON COUNTY, TEXAS  
 RRC WELLS ID 03-173559, 195471  
 ROYALTY DECIMAL .166667

AMENDED BILLING 11/21/2008

ATTACHMENT II  
 GAS BILLING

AUDITOR: M KESTER  
 FILE NAME: UNIT 2925  
 DATE: 11/21/08

PENALTY/  
 INTEREST DATE:

12/22/08

| MONTH/<br>YEAR | UNIT 2925<br>WELL<br>SALES | MF100655<br>TP<br>0.0049 | TOTAL<br>SALES<br>(A) | PRICE<br>(B) | BTU<br>(B) | GROSS<br>VALUE<br>(1) X (2) X (3) | UNIT ROYALTY<br>DUE<br>(4) x (.00271334) | LESS<br>PAYMENTS<br>(C) | ADDITIONAL<br>PAYMENT<br>DUE | ROYALTY<br>DUE<br>(4) x (.0625) | ROYALTY<br>PAID | ADDITIONA<br>ROYALTY DUE | NUMBER OF<br>DAYS LATE | PENALTY<br>DUE<br>(D) | INTEREST<br>DUE<br>(D) | TOTAL<br>DUE<br>(5)+(6)+(7) |
|----------------|----------------------------|--------------------------|-----------------------|--------------|------------|-----------------------------------|--|-------------------------|------------------------------|---------------------------------|-----------------|--------------------------|------------------------|-----------------------|------------------------|-----------------------------|
| Sep-01         | 235573                     |                          | 0.000                 | 2.0629       | 0.91577    | \$445,028.40                      | \$1,207.51                               | \$414.85                | \$792.66                     |                                 |                 |                          | 2594                   | 79.27                 | 660.63                 | \$1,532.56                  |
| Oct-01         | 183683                     |                          | 0.000                 | 1.8154       | 0.91577    | \$305,369.27                      | \$828.57                                 | \$244.10                | \$584.47                     |                                 |                 | \$0.00                   | 2564                   | 58.45                 | 481.35                 | \$1,124.27                  |
| Nov-01         | 150474                     |                          | 0.000                 | 2.4195       | 1.00000    | \$364,076.81                      | \$987.86                                 | \$338.06                | \$649.80                     |                                 |                 | \$0.00                   | 2533                   | 64.98                 | 528.53                 | \$1,243.31                  |
| Dec-01         | 138903                     |                          | 0.000                 | 2.0900       | 0.91577    | \$265,853.24                      | \$721.35                                 | * 0                     | \$721.35                     |                                 |                 |                          | 2502                   | 72.14                 | 579.37                 | \$1,372.86                  |
| Jan-02         | 124480                     |                          | 0.000                 | 1.9811       | 1.00000    | \$246,609.32                      | \$669.13                                 | \$240.73                | \$428.40                     |                                 |                 | \$0.00                   | 2474                   | 42.84                 | 340.14                 | \$811.38                    |
| Feb-02         | 105547                     |                          | 0.000                 | 1.5298       | 0.91577    | \$147,864.73                      | \$401.21                                 | \$150.84                | \$250.37                     |                                 |                 |                          | 2443                   | 25.04                 | 196.23                 | \$471.64                    |
| Mar-02         | 109976                     |                          | 0.000                 | 1.8638       | 0.91577    | \$187,707.35                      | \$509.31                                 | \$189.21                | \$320.10                     |                                 |                 |                          | 2413                   | 32.01                 | 247.73                 | \$599.84                    |
| Apr-02         | 101173                     |                          | 0.000                 | 2.7162       | 0.91577    | \$251,657.81                      | \$682.83                                 | \$260.34                | \$422.49                     |                                 |                 |                          | 2382                   | 42.25                 | 322.67                 | \$787.41                    |
| May-02         | 96444                      |                          | 0.000                 | 2.6911       | 0.91577    | \$237,678.06                      | \$644.90                                 | *0                      | \$644.90                     |                                 |                 | \$0.00                   | 2352                   | 64.49                 | 486.17                 | \$1,195.56                  |
| Jun-02         | 83316                      |                          | 0.000                 | 2.6849       | 0.91577    | \$204,852.17                      | \$555.83                                 | *0                      | \$555.83                     |                                 |                 | \$0.00                   | 2321                   | 55.58                 | 413.36                 | \$1,024.77                  |
| Jul-02         | 88476                      |                          | 0.000                 | 2.6255       | 0.91577    | \$212,726.47                      | \$577.20                                 | \$220.08                | \$357.12                     |                                 |                 | \$0.00                   | 2290                   | 35.71                 | 261.94                 | \$654.77                    |
| Aug-02         | 94978                      |                          | 0.000                 | 2.3583       | 0.91577    | \$205,119.10                      | \$556.56                                 | \$208.49                | \$348.07                     |                                 |                 | \$0.00                   | 2260                   | 34.81                 | 251.87                 | \$634.75                    |
| Sep-02         | 72000                      |                          | 0.000                 | 2.7004       | 1.00000    | \$194,427.50                      | \$527.55                                 | \$187.16                | \$340.39                     |                                 |                 | \$0.00                   | 2229                   | 34.04                 | 242.84                 | \$617.27                    |
| Oct-02         | 79637                      |                          | 0.000                 | 2.8719       | 1.00000    | \$228,712.37                      | \$620.57                                 | \$220.01                | \$400.56                     |                                 |                 | \$0.00                   | 2199                   | 40.06                 | 281.82                 | \$722.44                    |
| Nov-02         | 58309                      |                          | 0.000                 | 3.2527       | 1.00000    | \$189,659.53                      | \$514.61                                 | \$182.80                | \$331.81                     |                                 |                 | \$0.00                   | 2168                   | 33.18                 | 230.07                 | \$595.06                    |
| Dec-02         | 70788                      |                          | 0.000                 | 3.2048       | 1.00000    | \$226,861.38                      | \$615.55                                 | *0                      | \$615.55                     |                                 |                 | \$0.00                   | 2137                   | 61.56                 | 420.53                 | \$1,097.64                  |
| Jan-03         | 66773                      |                          | 0.000                 | 3.8302       | 1.00000    | \$255,751.87                      | \$693.94                                 | *0                      | \$693.94                     |                                 |                 | \$0.00                   | 2109                   | 69.39                 | 467.70                 | \$1,231.03                  |
| Feb-03         | 53996                      |                          | 0.000                 | 4.4082       | 1.00000    | \$238,023.71                      | \$645.84                                 | *0                      | \$645.84                     |                                 |                 | \$0.00                   | 2078                   | 64.58                 | 428.70                 | \$1,139.12                  |
| Mar-03         | 53091                      |                          | 0.000                 | 7.2501       | 1.00000    | \$384,917.13                      | \$1,044.41                               | \$371.13                | \$673.28                     |                                 |                 | \$0.00                   | 2048                   | 67.33                 | 440.27                 | \$1,180.88                  |
| Apr-03         | 4638                       |                          | 0.000                 | 4.2232       | 0.91577    | \$17,937.27                       | \$48.67                                  | \$17.83                 | \$30.84                      |                                 |                 | \$0.00                   | 2017                   | 25.00                 | 19.85                  | \$75.69                     |
| May-03         | 0                          |                          | 0.000                 |              |            | \$0.00                            | \$0.00                                   | *0                      | \$0.00                       |                                 |                 | \$0.00                   | 1987                   | 0.00                  | 0.00                   | \$0.00                      |
| Jun-03         | 404324                     |                          | 0.000                 | 5.4901       | 0.92684    | \$2,057,377.93                    | \$5,582.37                               | *0                      | \$5,582.37                   | 424,334.20                      |                 | \$424,334.20             | 1956                   | 558.24                | 3,481.56               | \$9,622.17                  |
| Jul-03         | 454550                     |                          | 0.000                 | 4.8849       | 0.93000    | \$2,064,987.58                    | \$5,603.01                               | *0                      | \$5,603.01                   | 425,903.69                      |                 | \$425,903.69             | 1925                   | 560.30                | 3,437.33               | \$9,600.64                  |
| Aug-03         | 480442                     |                          | 0.000                 | 4.9374       | 0.93428    | \$2,216,232.92                    | \$6,013.39                               | \$1,856.88              | \$4,156.51                   | 457,098.04                      |                 | \$457,098.04             | 1895                   | 415.65                | 2,508.94               | \$7,081.10                  |
| Sep-03         | 420896                     |                          | 0.000                 | 5.0966       | 0.93585    | \$2,007,534.35                    | \$5,447.12                               | \$1,675.67              | \$3,771.45                   | 414,053.96                      |                 |                          | 1864                   | 377.15                | 2,238.07               | \$6,386.67                  |
| Oct-03         | 369312                     |                          | 0.000                 | 4.5750       | 0.93474    | \$1,579,330.50                    | \$4,285.26                               | *0                      | \$4,285.26                   | 325,736.92                      |                 |                          | 1834                   | 428.53                | 2,500.71               | \$7,214.50                  |
| Nov-03         | 320772                     |                          | 0.000                 | 4.6321       | 0.93390    | \$1,387,636.40                    | \$3,765.13                               | \$3,583.07              | \$182.06                     | 286,200.01                      |                 |                          | 1803                   | 25.00                 | 104.39                 | \$311.45                    |
| Dec-03         | 307146                     |                          | 0.000                 | 5.0509       | 0.93226    | \$1,446,272.80                    | \$3,924.23                               | \$3,131.46              | \$792.77                     | 298,293.77                      |                 |                          | 1772                   | 79.28                 | 446.47                 | \$1,318.52                  |
| Jan-04         | 281936                     |                          | 0.000                 | 6.3858       | 0.93210    | \$1,678,137.04                    | \$4,553.36                               | \$3,301.66              | \$1,251.70                   | 346,115.76                      |                 |                          | 1743                   | 125.17                | 692.99                 | \$2,069.86                  |
| Feb-04         | 237792                     |                          | 0.000                 | 6.1222       | 0.93205    | \$1,356,893.70                    | \$3,681.71                               | \$2,378.14              | \$1,303.57                   | 279,859.33                      |                 |                          | 1712                   | 130.36                | 708.43                 | \$2,142.36                  |
| Mar-04         | 231266                     |                          | 0.000                 | 5.3130       | 0.93206    | \$1,145,234.82                    | \$3,107.41                               | \$2,911.42              | \$195.99                     | 236,204.68                      |                 |                          | 1682                   | 25.00                 | 104.58                 | \$325.57                    |
| Apr-04         | 196447                     |                          | 0.000                 | 5.5837       | 0.93123    | \$1,021,461.74                    | \$2,771.57                               | \$1,644.03              | \$1,127.54                   | 210,676.48                      |                 |                          | 1651                   | 112.75                | 590.15                 | \$1,830.44                  |
| May-04         | 176898                     |                          | 0.000                 | 6.1358       | 0.93114    | \$1,010,673.81                    | \$2,742.30                               | \$2,391.37              | \$350.93                     | 208,451.47                      |                 |                          | 1621                   | 35.09                 | 180.22                 | \$566.24                    |
| Jun-04         | 186775                     |                          | 0.000                 | 7.0705       | 0.93126    | \$1,229,819.06                    | \$3,336.92                               | \$2,393.32              | \$943.60                     | 253,650.18                      |                 |                          | 1590                   | 94.36                 | 474.95                 | \$1,512.91                  |

|        |        |  |       |        |         |       |                |             |            |             |              |              |                |            |             |             |
|--------|--------|--|-------|--------|---------|-------|----------------|-------------|------------|-------------|--------------|--------------|----------------|------------|-------------|-------------|
| Jul-04 | 179132 |  | 0.000 | 6.5924 | 0.93233 |       | \$1,100,992.91 | \$2,987.37  | \$2,863.34 | \$124.03    | 227,079.79   |              | 1559           | 25.00      | 61.16       | \$210.19    |
| Aug-04 | 169015 |  | 0.000 | 6.4723 | 0.93236 |       | \$1,019,925.51 | \$2,767.40  | \$2,493.50 | \$273.90    | 210,359.64   |              | 1529           | 27.39      | 132.37      | \$433.66    |
| Sep-04 | 144835 |  | 0.000 | 5.4401 | 0.93231 |       | \$734,585.94   | \$1,993.18  | \$2,313.17 | -\$319.99   | 151,508.35   |              | 1498           | 0.00       | 0.00        | (\$319.99)  |
| Oct-04 | 152032 |  | 0.000 | 4.5351 | 0.92600 |       | \$638,456.53   | \$1,732.35  | \$1,693.54 | \$38.81     | 131,681.66   | \$131,681.66 | 1468           | 25.00      | 17.98       | \$81.79     |
| Nov-04 | 131462 |  | 0.000 | 7.8376 | 0.93105 | 0.000 | \$959,299.02   | \$2,602.90  | \$1,764.35 | \$838.55    | 119,912.38   | 14,989.05    | 1437           | 83.86      | 379.90      | \$1,302.31  |
| Dec-04 | 139027 |  | 0.000 | 6.7644 | 0.93176 | 0.000 | \$876,258.07   | \$2,377.59  | \$2,221.04 | \$156.55    | 109,532.26   | 13,691.53    | 1406           | 25.00      | 69.33       | \$250.88    |
| Jan-05 | 123844 |  | 0.000 | 6.1157 | 0.93176 | 0.000 | \$705,708.27   | \$1,914.83  | \$2,024.49 | -\$109.66   | 88,213.53    | 14,702.29    | 1378           | 0.00       | 0.00        | (\$109.66)  |
| Feb-05 | 101868 |  | 0.000 | 6.1119 | 0.93106 | 0.000 | \$579,682.63   | \$1,572.88  | \$1,626.46 | -\$53.58    | 72,460.33    | 12,076.75    | 1347           | 0.00       | 0.00        | (\$53.58)   |
| Mar-05 | 86604  |  | 0.000 | 6.4154 | 0.93106 | 0.000 | \$517,295.73   | \$1,403.60  | \$482.87   | \$920.73    | 0.00         | 0.00         | 1317           | 92.07      | 380.80      | \$1,393.60  |
| Apr-05 | 71288  |  | 0.000 | 7.6099 | 0.93194 | 0.000 | \$505,574.00   | \$1,371.79  | \$429.67   | \$942.12    | 0.00         | 0.00         | 1286           | 94.21      | 380.05      | \$1,416.38  |
| May-05 | 85476  |  | 0.000 | 7.0197 | 0.93188 | 0.000 | \$559,141.00   | \$1,517.14  | \$1,171.45 | \$345.69    | 0.00         | 0.00         | 1256           | 34.57      | 136.04      | \$516.30    |
| Jun-05 | 66317  |  | 0.000 | 7.0013 | 0.93187 | 0.000 | \$432,671.17   | \$1,173.98  | "0         | \$1,173.98  | 0.00         | 0.00         | 1225           | 117.40     | 450.04      | \$1,741.42  |
| Jul-05 | 55634  |  | 0.000 | 7.7705 | 0.93186 | 0.000 | \$402,848.10   | \$1,093.06  | \$961.06   | \$132.00    | 0.00         | 0.00         | 1194           | 25.00      | 49.26       | \$206.26    |
| Aug-05 | 50896  |  | 0.000 | 8.5312 | 0.93182 | 0.000 | \$404,597.76   | \$1,097.81  | \$567.68   | \$530.13    | 0.00         | 0.00         | 1164           | 53.01      | 192.59      | \$775.73    |
|        |        |  |       |        |         |       |                |             |            |             |              | 0            |                |            |             |             |
|        |        |  |       |        |         |       |                | \$93,473.11 | #####      | \$44,347.84 | 4,887,207.92 | \$0.00       | \$1,439,017.58 | \$4,572.10 | \$27,020.08 | \$75,940.02 |

COMMENTS:

(A) RRC VOLUME - REPRESENTS TOTAL TRACT PARTICIPATION SALES - SEE ENCLOSED SPREADSHEETS "A" & "B"

(B) PRICE/BTU - REPRESENTS THE HIGHEST SALES PRICES TAKEN FROM THE GLO2 REPORT WHICH WERE FILED.

(C) \* I WAS UNABLE TO DETERMINE PAYMENTS WHICH SHOULD BE APPLIED TO UNIT 2925.  
I AM ENCLOSED A COPY OF THE GLO REPORTS AND PAYMENTS BY MONTH.  
SEE SPREADSHEET "3" FOR PAYMENT INFORMATION.

(D) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

(14)

File No. MF-099302

VOID INVOICE

Date Filed: 9/23/10  
Jerry E. Patterson, Commissioner

BE MR

**Harriet Dunne - Re: Fwd: MF099302**

---

**From:** Donna Keel  
**To:** Robert Hatter  
**Date:** 2/14/2014 7:43 AM  
**Subject:** Re: Fwd: MF099302  
**CC:** Harriet Dunne

---

Thanks Robert. We'll get the entry in today. Donna

>>> Robert Hatter 2/13/2014 5:00 PM >>>

It looks like the road was improperly classified as a state highway and given a 56 land type. It is a county road, so it should be a 65 land type. We'll enter the new control number, which is 65-902394.

Robert Hatter, Director  
Mineral Leasing Division  
Texas General Land Office  
(512) 475-1542 (office)  
(512) 475-1543 (fax)  
robert.hatter@glo.texas.gov

>>> Donna Keel 2/13/2014 12:45 PM >>>

Since Harriett is out til next week, can someone else let me know if should book these transactions to land type 56? Harriett deleted the control number on 1/14/14.  
Thanks, Donna

>>> Donna Keel 2/13/2014 12:36 PM >>>

Harriett,  
The transaction lines for this particular lease failed to import into SageMIP today.  
The reason is that there is no control number in ALAMO. History shows that you deleted it on 1/14/14.  
I can manually enter these transaction lines but still need to know the land type in order to select the correct GLA code.  
Was the control number/land type incorrect? Do you know what they are supposed to be?

Thanks, Donna

Donna Keel, CIA, CGAP  
Financial Operations Manager  
Energy Financial Mgmt.  
512.463.8072

File No. 099302 15.  
Change of land  
type - State to county road  
Date Filed: 2-14-14  
Jerry E. Patterson, Commissioner  
By JEP

**DO NOT DESTROY**



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

UPA170092

*Unit Number* 8702  
*Operator Name* Enervest Operating L L C  
*Customer ID* C000040239  
*Unit Name* Hahn Unit  
*County 1* Washington *RRC District 1* 03  
*County 2* *RRC District 2*  
*County 3* *RRC District 3*  
*County 4* *RRC District 4*  
*Unit type* Permanent  
*State Net Revenue Interest Oil* 0.00383103  
*State Part in Unit* 0.02298611  
*Unit Depth* Specified Depths  
*From Depth* *Well*  
*To Depth* *Formation* Top of Austin Chalk to Base of Austin Chalk  
*Participation Basis* Surface Acreage  
*If Exclusions Apply: See Remarks*

*Effective Date* 08/01/2017  
*Unitized For* Oil And Gas  
*Unit Term*  
*Old Unit Number Inactive Status Date*  
2926 - New unit  
created to  
separate County  
and state Rds

| <i>Lease Number</i> | <i>Tract No</i> | <i>Lease Acres in Unit</i> | <i>Total Unit Acres</i> | <i>Tract Participation</i> | <i>O/G</i> | <i>Lease Royalty</i> | <i>NRI of Lease in Unit</i> | <i>Royalty Rate Reduction Clause</i> |
|---------------------|-----------------|----------------------------|-------------------------|----------------------------|------------|----------------------|-----------------------------|--------------------------------------|
| MF118899            | 31              | 8.470000                   | 720.000000              | 0.01176389                 | O/G        | 0.16666700           | 0.00196065                  | No                                   |
| MF099302            | 33              | 3.970000                   | 720.000000              | 0.00551389                 | O/G        | 0.16666700           | 0.00091898                  | No                                   |
| MF100206            | 6               | 4.110000                   | 720.000000              | 0.00570833                 | O/G        | 0.16666700           | 0.00095139                  | No                                   |

API Number

4247730870

Remarks:

This unit replaces unit 2926. State and county roads were separated.

Prepared By:

MB

Prepared Date:

9/18/17

GLO Base Updated By:

MB

GLO Base Date:

9/18/17

RAM Approval By:

DW

RAM Approval Date:

9.19.17

GIS By:

\_\_\_\_\_

GIS Date:

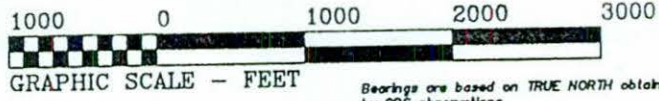
\_\_\_\_\_

Well Inventory By:

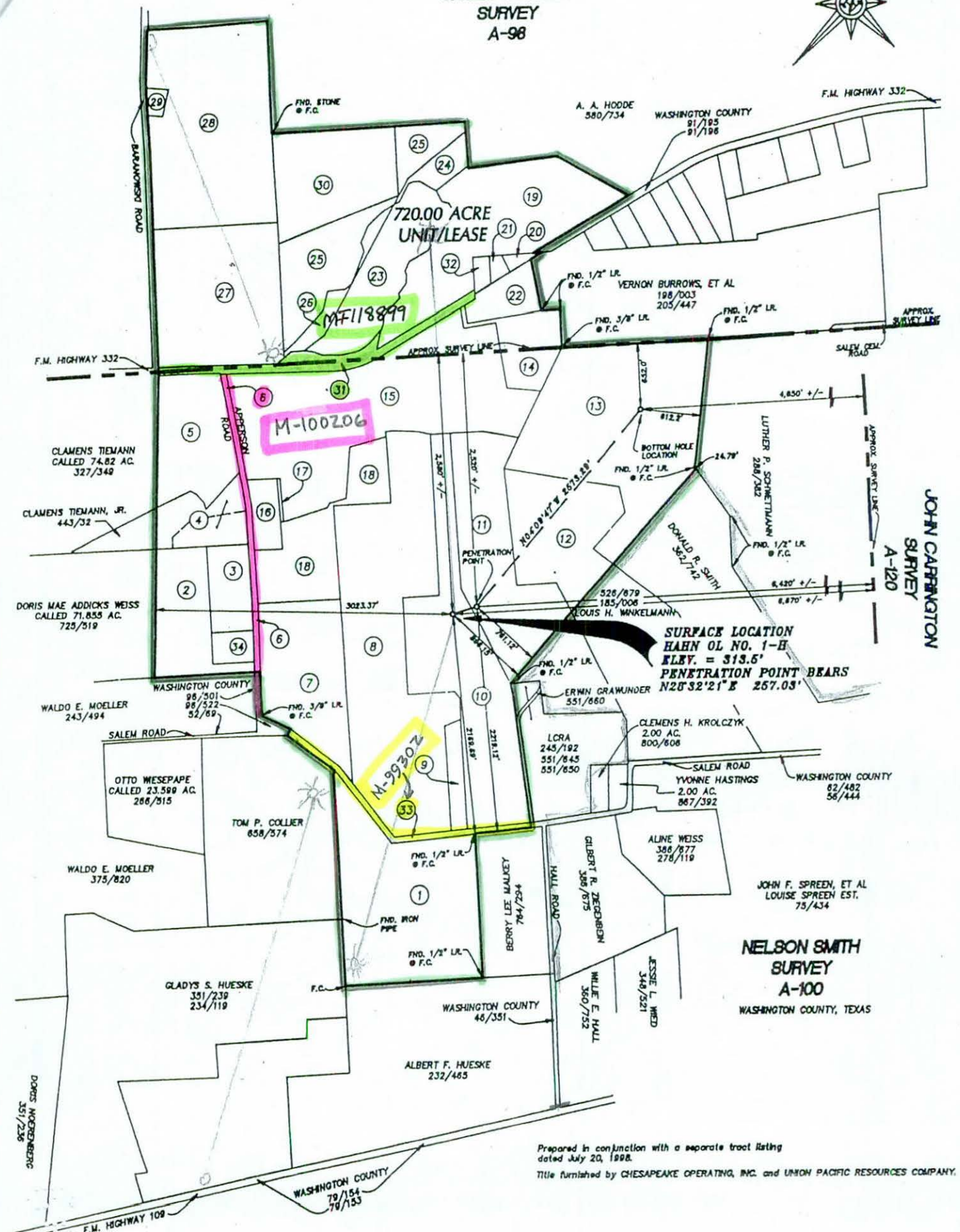
MB

WI Date:

9/18/17



**JAMES SCHRIER SURVEY A-98**



Prepared in conjunction with a separate tract listing dated July 20, 1998.  
 Title furnished by CHESAPEAKE OPERATING, INC. and UNION PACIFIC RESOURCES COMPANY.

THE STATE OF TEXAS  
 COUNTY OF WASHINGTON

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

Dated this the 20th day of July, 1998.  
 Donald W. Lampe  
 R.P.L.S. No. 1732

**DONALD W. LAMPE**  
 REGISTERED PROFESSIONAL  
 LAND SURVEYING  
 1408 WEST MAIN STREET  
 P. O. BOX 2037  
 BRENHAM, TEXAS 77834  
 (409) 836-8877 • FAX (409) 836-1177  
 W.O. 1857 1857RRCS.DWG 1857CHA.DRD

**AS DRILLED PLAT  
 CHESAPEAKE OPERATING, INC.  
 HAHN OL NO. 1-H**

NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98  
 WASHINGTON COUNTY, TEXAS

HAHN OL NO. 1-H UNIT surface location is approximately 4.2 miles southwest of Brenham, Washington County, Texas.  
 SURFACE LOC. = LATITUDE 30° 06' 42" N • LONGITUDE 96° 25' 52" W  
 BOTTOM HOLE LOC. = LATITUDE 30° 07' 10" N • LONGITUDE 96° 25' 53" W  
 SURFACE LOCATION is 2,580' +/- from the northwest line and 6,670' +/- from the northeast line of the Nelson Smith Survey, A-100, Washington County, Texas.

EXHIBIT "B"

CHESAPEAKE OPERATING, INC.  
HAHN OL NO. 1-H UNIT  
720.00 ACRES  
NELSON SMITH SURVEY, A-100, JAMES SCHRIER SURVEY, A-98,  
WASHINGTON COUNTY, TEXAS

Being 720.00 Acres of land, lying and being situated in Washington County, Texas, part of the Nelson Smith Survey, A-100 and part of the James Schrier Survey, A-98, comprised of the following mineral tracts listed below:

| TRACT | MINERAL OWNER(S)                       | ACREAGE     | VOLUME/PAGE =                              |
|-------|--|-------------|--|
| 1     | Joan E. Free                           | 49.21 Acres | 624/590                                    |
| 2     | Doris Mae Addicks Weisz                | 17.13 Acres | 725/519                                    |
| 3     | Mary K. Wehmeyer, et al                | 8.48 Acres  | 666/844                                    |
| 4     | Clamens Tiemann, Jr., et ux            | 10.87 Acres | 443/032, 303/517                           |
| 5     | Clamens Tiemann, et ux                 | 20.62 Acres | 327/349                                    |
| 6     | Washington County/State of Texas       | 4.11 Acres  | 96/501, 96/502                             |
| 7     | Gloria L. Coles                        | 27.74 Acres | 259/474                                    |
| 8     | Waldo E. Moeller                       | 72.81 Acres | 345/763                                    |
| 9     | Billy Ray Grimm                        | 4.09 Acres  | 335/971                                    |
| 10    | Elda Hahn                              | 44.89 Acres | 309/903                                    |
| 11    | Erwin A. Grawunder                     | 33.98 Acres | 196/146                                    |
| 12    | Louis H. Winkelmann, et al             | 26.40 Acres | 526/679, 185/006                           |
| 13    | Donald Roy Smith                       | 59.71 Acres | 362/742                                    |
| 14    | Clamens Tiemann, et al                 | 10.00 Acres | 487/398                                    |
| 15    | Ora Nell Tiemann, et vir               | 69.67 Acres | 572/687, 463/670, 327/349                  |
| 16    | Darlene Ann Tiemann                    | 4.75 Acres  | 322/719                                    |
| 17    | David Wiegat                           | 0.32 Acre   | 669/540                                    |
| 18    | Marian Wehmeyer                        | 20.58 Acres | 293/358, 371/326, 331/1007                 |
| 19    | Elmo J. Henske, et ux                  | 40.00 Acres | 449/760, 506/559                           |
| 20    | Paul Edward Kasprovicz, et al          | 0.78 Acre   | 447/136                                    |
| 21    | Terry Oertli, et al                    | 0.85 Acre   | 443/465                                    |
| 22    | Jimmie Dale Tiemann, et ux             | 6.07 Acres  | 318/377                                    |
| 23    | Charlie Berger, et al                  | 19.50 Acres | 477/005                                    |
| 24    | Charlie Berger, et ux                  | 3.85 Acres  | 298/571                                    |
| 25    | Hildegard Hueske                       | 21.92 Acres | 229/189                                    |
| 26    | Hildegard Hueske, et al                | 3.91 Acres  | 298/569                                    |
| 27    | Clamens Tiemann, et ux                 | 38.85 Acres | 201/587, 180/468                           |
| 28    | Thomas E. McGraw, et al                | 56.02 Acres | 239/055                                    |
| 29    | Pleasant Grove United Methodist Church | 1.19 Acre   | 005/613                                    |
| 30    | Arthur E. Hueske, et ux                | 25.10 Acres | 274/239                                    |
| 31    | Washington County/State of Texas       | 8.47 Acres  | 91/072, 91/230, 91/232, 201/563, & 201/587 |
| 32    | Robert H. Storms, et ux                | 1.17 Acre   | 673/182                                    |
| 33    | Washington County/State of Texas       | 3.97 Acres  | 96/522, 62/482, 56/444, 96/501, & 46/351   |
| 34    | Rocky Ullrich, et al                   | 2.99 Acres  | 659/789                                    |

MF-100206  
.005709

MF118899

MF099302  
.005514

And being more particularly described as follows:

BEGINNING at a 1/2" iron rod found at a fence corner for the north corner of said Tract 13, included herein, being in the northwest line of the Nelson Smith Survey, A-100, common with the southeast line of the James Schrier Survey, A-98, and being the west corner and of the Luther P. Schwettmann tract, recorded in Volume 288, Page 382, Deed Records of Washington County, Texas (288/382, D.R.W.C., Tx.);

THENCE, along a northeast line of Tract 13, common with a southwest line of said Schwettmann tract, S 38° 23' 51" E, 1178.20 feet; S 34° 41' 41" E, 74.35 feet, to a 1/2" iron rod found at a fence corner, and S 80° 09' 58" E, 24.79 feet, to an exterior corner hereof on a north line of the Donald R. Smith tract (362/742, D.R.W.C., Tx.), common with a south line of said Schwettmann tract;

THENCE, along east lines of Tracts 13, 12, and 11, severing said Smith tract, the Louis H. Winkelmann tract (185/006, D.R.W.C., Tx.), and the Erwin A. Grawunder tract (196/146, D.R.W.C., Tx.), S 03° 09' 17" E, 2847.54 feet, to a 1/2" iron rod found at a fence corner for the west corner of the Lower Colorado River Authority tract (L.C.R.A.) (245/192, D.R.W.C., Tx.; 551/645, O.R.W.C., Tx.; and 551/650, O.R.W.C., Tx.);

THENCE, along a northeast line of Tract 13, common with a southwest line of said Schwettmann tract, S 38° 23' 51" E, 1178.20 feet; S 34° 41' 41" E, 74.35 feet, to a 1/2" iron rod found at a fence corner, and S 80° 09' 58" E, 24.79 feet, to an exterior corner hereof on a north line of the Donald R. Smith tract (362/742, D.R.W.C., Tx.), common with a south line of said Schwettmann tract;

THENCE, along east lines of Tracts 13, 12, and 11, severing said Smith tract, the Louis H. Winkelmann tract (185/006, D.R.W.C., Tx.), and the Erwin A. Grawunder tract (196/146, D.R.W.C., Tx.), S 03° 09' 17" E, 2847.54 feet, to a 1/2" iron rod found at a fence corner for the west corner of the Lower Colorado River Authority tract (L.C.R.A.) (245/192, D.R.W.C., Tx.; 551/645, O.R.W.C., Tx.; and 551/650, O.R.W.C., Tx.);

#16

File No. MF099302

HANN UNIT 870Z ~~County~~

REVISED FROM #2926

Date Filed: 4/3/2019

George P. Bush, Commissioner

By 