

2818 Inactive
57.70 UNIT ACRES
87.30 NON-UNIT AC.

STATE LEASE

MF100526

CONTROL	BASEFILE	COUNTY
01-004601	000 -	JEFFERSON /123

3337 Inactive
57.165 UNIT AC
- 0 -

✓ TERMINATED

Date 11-1-05

Accounting _____

Legal CZB

Exploration _____

Operation _____

SURVEY : TAYLORS BAYOU
BLOCK :
TOWNSHIP : 00
SECTION/TRACT: 2-G
PART :
ACRES : ~~145.00~~ 57.165
DEPTH LIMITS : NO
LESSEE : FERGUSON, DILLON J.
LEASE DATE : Apr 06 1999
PRIMARY TERM : 3 yrs
BONUS (\$) : 79942.85
RENTAL (\$) : 5.00
ROYALTY : 0.25000000
VAR ROYALTY :

Rentals:

M.S.

Lease

Admin:

Mineral

Maps:

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 11b-Assignment 8-22-00

- | | |
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| 4. 4799-064 | 6-16-99 |
| 5. Ltr. From Rutherford with Pooling Unit | 11/5/99 |
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| 7. Memorandum to School Land Board dated 1-11-2000 + Amendment of Pooling Agreement | |
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Scanned sm 4/15/15



100526

April 6, 1999

Mineral Lease Bid Application

Texas General Land Office ED - CA-040 (02-99)

Applicant Agreement

I agree, if awarded a lease on the referenced tract, to comply with all terms and conditions of said lease and with all applicable laws that so govern said lease, and as those laws may be amended.

Applicant Identification to Appear on Lease (Type/print)

Name Dillon J. Ferguson
Address 700 Louisiana Street, Suite 1900
City Houston State TX Zip 77002-2778
(Include +4 Code)
Telephone (713) 225-7001

Area Description

County(-ies) Jefferson Survey/Area Taylor's Bayou
(If applicable)
Block/Tsp. _____ Section/Tract 2-G Acres 145.00
(If applicable)

Bid Submission

99037824

(A) Cash Bonus Enclosed (\$) 79,942.85 (type/print amount below)
Seventy-Nine Thousand Nine Hundred Forty-Two and 85/100 Dollars
(B) Sales Fee Attached (\$) 1199.14 (type/print amount below)
One Thousand One Hundred Ninety-Nine and 14/100 Dollars
This Sales Fee is 1-1/2% of the cash bonus as provided in Section 32.110 of the Natural Resources Code as amended.

99037825

MGL. No.

62

Applicant (same as above)

Dillon J. Ferguson

Bonus Amount Only (A)

(Do not include sales fee)

(\$) 79,942.85

Applicant

Tax I.D. # 

Signature of Agent

(type/print below)


Dillon J. Ferguson

001
500
00

1

File No. MF/005267

Bid Application

Date Filed: 4/26/99

By David Dewhurst, Commissioner
David Dewhurst

00037852

00037854

The State of Texas



Austin, Texas

OIL AND GAS LEASE
NO. M-100526

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

TRACT 2-G OF TAYLORS BAYOU, JEFFERSON COUNTY, TEXAS, CONTAINING APPROXIMATELY 145 ACRES; TRACT 2-G IS BOUND ON THE WEST BY A NORTHERLY EXTENSION OF THE MOST EASTERLY LINE OF THE S.W. PIPKEN SURVEY, A-830, AND IS BOUND ON THE EAST BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE A. HOTCHKISS GRANT, A-31,

was, after being duly advertised, offered for lease on the 6th day of April, 1999, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 6th day of April, 1999, hereinafter the "effective date" and it was found and determined that DILLON J. FERGUSON whose address is 700 LOUISIANA ST., SUITE 1900, HOUSTON, TEXAS 77002-2778, had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, David Dewhurst, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of \$79,942.85, receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. **DELAY RENTALS:** If no well be commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of Five Dollars (\$5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

4. **PRODUCTION ROYALTIES:** Subject to the provisions for royalty reductions set out in subparagraph (E) of this paragraph 4, upon production of oil and/or gas, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) **OIL:** As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, 1/4 part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

(B) **NON-PROCESSED GAS:** As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) 1/4 part of the gross production or the market value thereof, at the option of the Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is greater provided that the maximum pressure base in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) **PROCESSED GAS:** As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons, $\frac{1}{4}$ part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the Lessor. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons, attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) **OTHER PRODUCTS:** As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing, $\frac{1}{4}$ part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
- (2) On the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

(E) **VARIABLE ROYALTY:** (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within twelve (12) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such twelve (12) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of twelve (12) months from the effective date hereof but prior to the expiration of twenty-four (24) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such twelve (12) month term during which Lessee may earn a reduced royalty rate of 22.5% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(F) **NO DEDUCTIONS:** Lessee agrees that all royalties accruing to Lessor under this lease shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(G) **ROYALTY IN KIND:** Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this lease.

(H) **PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(I) **MINIMUM ROYALTY:** During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year.

(J) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

5. ROYALTY PAYMENTS AND REPORTS: All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

6. (A) RESERVES, CONTRACTS AND OTHER RECORDS: Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) **DRILLING RECORDS:** Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) **PENALTIES:** Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

7. **RETAINED ACREAGE:** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) **VERTICAL:** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 11 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Natural Resources Code Sections 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

(B) **HORIZONTAL:** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 7 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) **IDENTIFICATION AND FILING:** The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the School Land Board. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes.

8. **OFFSET WELLS:** If oil and/or gas should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this lease, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this lease begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this lease, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this lease, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

9. **DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM:** If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises payments may be made in accordance with the shut-in provisions hereof.

10. **CESSATION, DRILLING, AND REWORKING:** If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

11. **SHUT-IN ROYALTIES:** For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

12. COMPENSATORY ROYALTIES: If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

13. EXTENSIONS: If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

14. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

15. POLLUTION: In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) UPLANDS: Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) SUBMERGED LANDS: No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the leased area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject a State of Texas lease to forfeiture." Such statement shall be in lettering of at least 1" in size.

(C) RIVERS: To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

(D) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the lease. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

16. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of the operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

17. ASSIGNMENTS: The lease may be transferred at any time. All transfers must reference the lease by the file number and must be recorded in the county where the area 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 filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. 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.

18. RELEASES: 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 filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. LIEN: In accordance with N.R.C. Section 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by N.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

20. FORFEITURE: If Lessee shall fail or refuse to make the 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, the School Land Board, or the Railroad Commission, 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 Lessee shall

knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

21. RIVERBED TRACTS: In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

22. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This lease shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this lease. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this lease, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this lease covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

23. REMOVAL OF EQUIPMENT: Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

24. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this State.

25. LEASE SECURITY: Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

26. REDUCTION OF PAYMENTS: If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board in accordance with Natural Resources Code Sections 52.151-52.153, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

27. SUCCESSORS AND ASSIGNS: The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

28. ANTIQUITIES CODE: In the event that any feature of archeological or historical interest on Permanent School Fund Land is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN. Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (VOLUME 1993 & Supp. 1998). On state-owned land not dedicated to the Permanent School Fund, lessee shall notify the Texas Historical Commission before breaking ground at a project location. An archaeological survey might be required by the commission before construction of the project can commence. Further, in the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural or historic interest is encountered during the activities authorize by this lease, lessee will immediately notify lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate.

29. VENUE: Lessor and lessee, including lessee's successors and assigns, hereby agree that venue for any dispute arising out of a provision of this lease, whether express or implied, regarding interpretation of this lease, or relating in any way to this lease or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

30. LEASE FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.

31. EXECUTION: This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas.

LESSEE
BY: _____
TITLE: _____
DATE: _____

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.

David Newhurst
COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

APPROVED

Contents [Signature]
Legal [Signature]
DC [Signature]
SD [Signature]
Exec [Signature]

STATE OF _____

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of

_____ and acknowledged to me that he executed the same

for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the _____ day of _____, 19_____.

Notary Public in and for _____

STATE OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 19_____.

Notary Public in and for _____

(2)

File No. MF/00526

Leane

Date Filed: 4/6/99

By: David Dewhurst, Commissioner
David Dewhurst

**Texas General
Land Office**

May 20, 1999



**David Dewhurst
Commissioner**

Mr. Dillon J. Ferguson
700 Louisiana St., Suite 1900
Houston, Texas 77002-2778

Dear Mr. Ferguson:

Thank you for participating in the General Land Office Oil and Gas Lease Sale held on April 6, 1999. I am pleased to inform you that were the high bidder on Mgl. No. 62, which has been assigned the lease number M-100526.

The lease agreement for State Lease M-100526 is enclosed and will serve as your receipt for the amount of your bid. This lease form must be signed and acknowledged by the lessee, and then recorded in the County Clerk's office of the county or counties in which lands covered by the lease are located. After signing and recording the lease, please submit a certified copy of the recorded lease to the attention of Kristin Anderson-Davis at the Texas General Land Office. These requirements are material provisions of the lease; therefore, please return the certified copy at your earliest convenience.

The lessee's other contractual and statutory responsibilities are outlined in the lease agreement, such as Section 6(B), which requires operators to submit written notice of all drilling, production, and related activities. When lessees file specific forms with the Texas Railroad Commission, they are required to submit copies of these forms to the Texas General Land Office. Examples of these forms are: W-1, Application to Drill, Deepen, or Plug Back; W-2, Oil Well Potential Test, Completion or Recompletion Report and Log; W-3, Plugging Record; G-1, Gas Well Back Pressure Test, Completion/ Recompletion Report and Log; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; Electric Logs (within fifteen days after they are made); Directional Surveys.

Please let me know if you have any questions or need any additional information.

Sincerely,



Robert B. Hatter, Director

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

3.

File No. MF 100526

Miller

Date Filed: 7/20/99

By David Dewhurst, Commissioner

David Dewhurst

**Texas General
Land Office**



**David Dewhurst
Commissioner**

June 16, 1999

I, David Dewhurst, Commissioner of the General Land Office of the State of Texas, do hereby certify that the papers, records, and documents of said office show;

That on April 7, 1981, pursuant to Chapter 32 and Subchapters A-E, G, and H of Chapter 52 of the Natural Resources Code, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant thereto, and all other applicable statutes and amendments to said Natural Resources Code; Bob Armstrong, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-84932, covering "Tract 7, Taylor Bayou, Jefferson County, Texas, containing approximately 15 acres, is bound on the West by a Northerly extension of the upper East line of the T. & N.O. R.R. Survey No. 197, A-268. And is bound on the East by a Southerly extension of the West line of the Wm. Carr Survey, A-102", as shown by the official map filed in the Texas General Land Office, to Plumb Oil Company, Inc., for a cash bonus of \$29,266.80, with a primary term of three (3) years, an annual delay rental of \$5.00 per acre, and a royalty to the State of one-fourth (1/4) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on June 7, 1983, in Mineral File M-84932;

That the file wrapper for Mineral File M-84932 is endorsed: "(stamped) TERMINATED For failure to pay delay rental (dated) 4/7/83";

That on April 7, 1981, pursuant to Chapter 32 and Subchapters A-E, G, and H of Chapter 52 of the Natural Resources Code, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant thereto, and all other applicable statutes and amendments to said Natural Resources Code; Bob Armstrong, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-84933, covering "Tract 8, Taylor Bayou, Jefferson County, Texas, containing approximately 15 acres, is bound on the West by a Southerly extension of the West line of the Wm. Carr Survey, A-102. And is bound on the East by a Southerly extension of the East line of the aforesaid survey", as shown by the official map filed in the Texas General Land Office, to Plumb Oil Company, Inc., for a cash bonus of \$29,266.80, with a primary term of three (3) years, an annual

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

delay rental of \$5.00 per acre, and a royalty to the State of one-fourth (1/4) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on April 7, 1981, in Mineral File M-84933;

That the file wrapper for Mineral File M-84933 is endorsed: “(stamped) TERMINATED For failure to pay delay rental (dated) 4/7/83”;

That on October 2, 1984, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant thereto, and all other applicable statutes and amendments to said Natural Resources Code; Garry Mauro Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-90477, covering “Tract 8, Taylor Bayou, Jefferson County, Texas, containing approximately 75 acres, is bound on the Northeast by a Southerly extension of the West line of the John J. French Survey, A-23, and is bound on the Southwest by a Southerly extension of the East line of the William Smith Survey, A-49”, as shown by the official map filed in the Texas General Land Office, to Marvin Dudley, for a cash bonus of \$7,675.20, with a primary term of three (3) years, an annual delay rental of \$5.00 per acre, and a royalty to the State of one-fourth (1/4) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.5% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on October 2, 1984, in Mineral File M-90477;

That the file wrapper for Mineral File M-90477 is endorsed: “(stamped) EXPIRED (initialed) NS, JA”;

That on , pursuant to April 6, 1999, David Dewhurst, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-100526, covering “Tract 2-G of Taylor’s Bayou, Jefferson County, Texas, containing approximately 145 acres, Tract 2-G is bound on the west by a northerly extension of the most easterly line of the S.W. Pipken Survey, A-830, and is bound on the east by a northerly extension of the west line of the A. Hotchkiss Grant, A-31”, as shown by the official map filed in the Texas General Land Office, to , for a cash bonus of \$79,942.85, with a primary term of three (3) years, an annual delay rental of \$5.00 per acre, and a royalty to the State of one-fourth (1/4) of the production of oil and gas from the tract, subject to the variable royalty reduction provision, and, upon the payment of the cash bonus due, and the 1.5% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on April 6, 1999, in Mineral File M-100526;

That on June 5, 1996, effective date of September 1, 1995, pursuant to the authority of V.T.C.A., Natural Resources Code §51.291 et.seq., and subject to all rules of the Texas General Land Office, the State of Texas, Grantor herein, acting by and through the Commissioner of the Texas General Land Office, issued a renewal of Miscellaneous Easement ME-3145, being ME-850161 to Chevron, U.S.A. for "A Thirty (30) foot wide right of way for one (1) 6-inch O.D. pipeline for transporting propylene across Taylor Bayou, Jefferson County, Texas", and a certified copy of said easement was filed in the Texas General Land Office on July 10, 1996, in Miscellaneous Easement File ME-850161;

That on August 9, 1996, effective date of July 1, 1996, pursuant to the authority of V.T.C.A., Natural Resources Code §51.291 et.seq., and subject to all rules of the Texas General Land Office, the State of Texas, Grantor herein, acting by and through the Commissioner of the Texas General Land Office, issued a renewal of Miscellaneous Easement ME-860067 to Arco Pipe Line Company for "A Thirty (30) foot wide right of way for one (1) 8-inch O.D. pipeline for the purpose of transporting petroleum products across Taylor Bayou, Jefferson County, Texas", and a certified copy of said easement was filed in the Texas General Land Office in Miscellaneous Easement File ME-860067;

IN TESTIMONY WHEREOF, I hereto set my hand and seal of said office the first date above written.

DAVID DEWHURST
COMMISSIONER

DD:MC

Ms. Jayne P. Smith
Jayco Resources, Inc.
2202 Timberloch Place, Ste. 107
The Woodlands, Texas 77380-1106

Fee: \$100.00

Register No. 46008

Dicta No. 99-064

Files: Mineral Files: M-84932, M-84933, M-90477, M100526, Miscellaneous Easements: ME-850161, ME-860067

4

File No. M-100506

Jefferson County

07-99-064

Date Filed: 10-6-99

By David Dewhurst, Commissioner

RUTHERFORD OIL CORPORATION

5 EAST GREENWAY PLAZA, SUITE 220
HOUSTON, TEXAS 77046
99 NOV -5 PM 2:22

GENERAL LAND OFFICE
LEGAL SERVICES

TEL: (713) 622-5555

FAX: (713) 621-7072

November 2, 1999

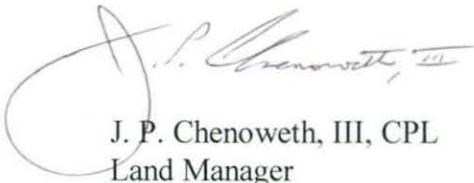
Texas General Land Office
Stephen F. Austin Building
1700 N. Congress
Austin, Texas 78701
Attn: J. Daryl Morgan, CPL

Re: Rutherford Oil Corporation M-100526
Brooks-State Gas Unit
Jefferson County, Texas

Dear Mr. Morgan:

Enclosed please find a certified copy of the Pooling Agreement for the Rutherford Oil Corporation Brooks-State Gas Unit for your files.

Very truly yours,
RUTHERFORD OIL CORPORATION



J. P. Chenoweth, III, CPL
Land Manager

encl

cc: Mr. Doug Dashiell (w/o encl)

21
SN

200

POOLING AGREEMENT
RUTHERFORD OIL CORPORATION
BROOKS-STATE UNIT

JEFFERSON COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Rutherford Oil Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be gas including all hydrocarbons that may be produced from a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Hackberry Formation,

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OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Paul Rhoney DEPUTY
PEARL RHONEY

defined as the correlative marker occurring at a depth of 9000' in the Williams Exploration L.J. Aubey Well No. 1 located in the William Smith Survey A-49, down to 100' below the total depth drilled in the Rutherford Oil Corporation Brooks-State Unit Well No. 1 ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement,

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SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

provided that, if any State Lease described in Exhibit "A" attached hereto contains provision 4(E) VARIABLE ROYALTY, and a unit well is not located on such State Lease and a reduced royalty has not otherwise been earned, then a reduced royalty may be earned by unit production, but it shall only apply to the acreage included within the unit. Acreage outside of the unitized area must earn a reduced royalty independently.

- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 320 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such

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JEFFERSON COUNTY, TEXAS

BY Paul Honey DEPUTY
PEARL HONEY

remedy as may be agreeable to the Board.

- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION: 5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND: 6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

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SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

EFFECTIVE DATE: 7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 21, 1999; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM: 8.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND: 9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 10.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Jefferson County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER: 11.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any

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SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhone DEPUTY
PEARL RHONE

claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

12.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Paul Roney DEPUTY
CLERK

Date Executed 10-22-99

STATE OF TEXAS

Legal mko
Content ku
Geology TH
General Counsel SS
Execution B

By David Dewhurst
David Dewhurst, Commissioner
of the General Land Office



Date Executed October 18, 1999

RUTHERFORD OIL CORPORATION

By Michael G. Rutherford
Its President
Michael G. Rutherford

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 18, 1999, by Michael G. Rutherford as President of RUTHERFORD OIL CORPORATION, a Texas corporation, on behalf of said corporation.



Marti Young
Notary Public in and for the State of Texas
Commission expires: _____

Date Executed October 15, 99

IP PETROLEUM COMPANY, INC.

By Stephen M. Guidry
Stephen M. Guidry
Its Vice President

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on October 15, 1999, by Stephen M. Guidry as Vice President of IP PETROLEUM COMPANY, INC., a Delaware corporation, on behalf of said corporation.



Tina C. McCoy
Notary Public in and for the State of Texas
Commission expires: 9.15.01

Date Executed October 18, 1999

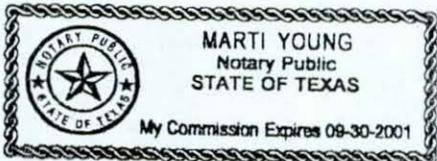
MICHAEL G. RUTHERFORD

Michael G. Rutherford

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 18, 1999 by MICHAEL G. RUTHERFORD.



Marti Young
Notary Public in and for the State of Texas
Commission expires: _____

Date Executed October 18, 1999

PATRICK R. RUTHERFORD, JR.

Patrick R. Rutherford, Jr.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 18, 1999 by PATRICK R. RUTHERFORD, JR.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-01

Date Executed October 7, 1999

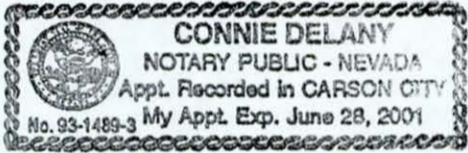
BARBARA K. ALEXANDER

Barbara K. Alexander

STATE OF NEVADA

COUNTY OF Carson

This instrument was acknowledged before me on October 7, 1999 by BARBARA K. ALEXANDER.



Connie Delany
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: June 28, 2001

Date Executed October 7, 1999

THE BARBARA K. ALEXANDER 1983 TRUST

By Barbara K. Alexander
Its Trustee

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

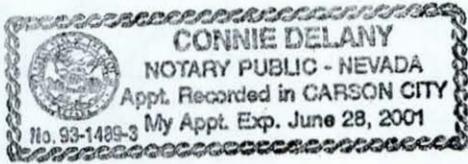
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

STATE OF NEVADA

COUNTY OF Carson

This instrument was acknowledged before me on the 7th day of October, 1999, by Barbara K. Alexander the Trustee of THE BARBARA K. ALEXANDER 1983 TRUST, a TEXAS TRUST, on behalf of said trust.



Connie Delany
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: June 28, 2001

Date Executed October 13, 1999
October 13, 1999

GDM RESOURCES, LTD.

By [Signature]
Its EXECUTIVE VICE PRESIDENT

STATE OF CALIFORNIA

COUNTY OF KERN

This instrument was acknowledged before me on the 13th day of October, 1999, by Gary L. Ronning the EVP of GDM RSOOURCES, LTD., a Nevada limited partnership, on behalf of said limited partnership.



Michele Caverly
Notary Public in and for the State of ~~Texas~~ California
Commission expires: July 29, 2001

Date Executed October 13, 1999

FERGUSON RESOURCES 1998

By [Signature]
Its EXECUTIVE VICE PRESIDENT

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY [Signature] DEPUTY
PEARL RHONEY

STATE OF CALIFORNIA

COUNTY OF KERN

This instrument was acknowledged before me on October 13, 1999, 1999, by Gary L. Ronning as Executive Vice President of FERGUSON RESOURCES 1998, a California corporation, on behalf of said corporation.



Michele Caverly
Notary Public in and for the State of ~~Texas~~ California
Commission expires: July 20 2001

Date Executed Oct. 12, 1999

GRABLE BOSWORTH RONNING

Grable Bosworth Ronning

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on Oct. 12, 1999 by GRABLE BOSWORTH RONNING.



Linda Noxon
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: 5/1/02

Date Executed Oct. 12, 1999

THE GRABLE BOSWORTH RONNING
1983 TRUST

By Grable Bosworth Ronning
Its Trustee

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

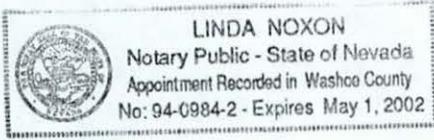
OCT 26 1999
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on the 12th day of Oct., 1999, by GRABLE BOSWORTH RONNING the TRUSTEE of THE GRABLE BOSWORTH RONNING 1983 TRUST, a TEXAS TRUST, on behalf of said TRUST.



Linda Noxon
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: 5/1/02

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 21st day of September, 1999, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 25 day of October, 1999.

Judy Powell
Secretary of the School Land Board

Return to:
Rutherford Oil Corp
5 East Greenway, Suite 220
Houston, TX 77046
Attn: J.P. (Jack) Chenoweth III

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

EXHIBIT "A" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Oil and gas leases covering certain lands included in the Brooks-State Unit, Jefferson
County, Texas:

1. That certain Oil, Gas & Mineral Lease dated April 6, 1999, by and between David Dewhurst, Commissioner of the General Land Office of the State of Texas, as Lessor and Dillon J. Ferguson, as Lessee, recorded as document #1999021662 of the Official Records of Jefferson County, Texas, covering approximately 145 acres in Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

2. That certain Oil, Gas & Mineral Lease dated March 17, 1997, by and between Alice Elizabeth Fitzhugh, a widow and feme sole, and John Peregrine Fitzhugh, as Lessor, and Cabot Oil & Gas Corporation, as Lessee, recorded as document #97-9717211 of the Official Records of Jefferson County, Texas, covering 500 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

3. That certain Oil, Gas & Mineral Lease dated April 21, 1999, by and between Sun Operating Limited Partnership, acting by and through Kerr-McGee Corporation, its managing general partner, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for such lease is recorded as document #1999019685 of the Official Records of Jefferson County, Texas, covering 104.81 acres, more or less, Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

4. That certain Oil, Gas & Mineral Lease dated November 13, 1998, by and between Jack B. Brooks, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for said lease is recorded as document #1999014026, Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

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Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

5. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between David J. Stewart, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014027 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

6. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between R. Scott Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014028, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

7. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Kristen G. Slyman, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014029 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

8. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Roberta Susan Morrow, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014030, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

9. That certain Oil, Gas & Mineral Lease dated December 16, 1998, by and between Robert F. Garland, III, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014031, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

10. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Robert F. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014032, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

11. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Paula D. Corey, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded

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OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

as document #1999014033, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

12. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Jeffrey M. Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014034, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

13. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Sandra Lee Swicki, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014035, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

14. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Bertha Renee Newell, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014038, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

15. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Daniel P. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014037, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

16. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Dan P. Garland, Sue Nell Garland, Attorney-in-Fact for Dan P. Garland, Sr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014036, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

EXHIBIT "B" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Legal Description of the Brooks-State Unit, Jefferson County, Texas (the "Unit"):

RUTHERFORD OIL CORPORATION
Brooks-State 319.83 Acre Gas Unit

W.B. Burton Survey, A-8
Bennett Blackman Survey, A-2
L.A. Casey Survey, A-944
Taylor Bayou, State Tract 2-G
Jefferson County, Texas

THE STATE OF TEXAS
COUNTY OF JEFFERSON

PROPERTY DESCRIPTION: Being 319.83 acres, more or less, out of the W.B. Burton Survey, A-8; the Bennett Blackman Survey, A-2; the L.A. Casey Survey, A-944; and Taylor Bayou, State Tract 2-G, Jefferson County, Texas; said 319.83 acres, more or less, also being all or part of the following tracts:

- TRACT 1: 99.55 acres, more or less, being all of that certain tract of land (called 104.81 acres) described in Deed from Union Bank & Trust Company to J.E. Dycus, dated July 24, 1943, recorded in Volume 534, at page 519 of the Deed Records of Jefferson County, Texas;
- TRACT 2: 40.0 acres, more or less, being part of that certain 500.0 acre tract described as "First Tract" in that certain Decree dated September 11, 1950, in the District Court of Jefferson County, Texas, 58th Judicial District, styled Mary E. Fitzhugh, et al. vs. Erwin J. LeBlanc, et al., Cause No. 63694, a certified copy of which said Decree is recorded in Volume 783 at page 546 of the Deed Records of Jefferson County, Texas;
- TRACT 3: 57.70 acres, more or less, being part of that certain State Tract 2-G in Taylor Bayou as described in Mineral Lease No. M-100526 dated April 6, 1999 from the State of Texas to Dillon J. Ferguson and recorded in File No. 1999021662 of the Jefferson County Public Records of Real Property;
- TRACT 4: 122.58 acres, more or less, being all of that certain tract (called 117.42 acres) granted to L.A. Casey by The State of Texas, dated July 18, 1957 and being of record in Volume 1076 at page 79 of the Deed Records of Jefferson County, Texas.

Said 319.83 acres, more or less, being further described by metes and bounds as follows to-wit:

BEGINNING at a corner post ($X = 3,530,384.8$ and $Y = 765,726.3$, NAD-27, Texas South Central Zone) found at the southwest corner of the hereinabove described Tract 1 for the most southerly southwest corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, with the west boundary of said Tract 1 as marked by line of fence, at 2766.13 feet pass a 2-inch iron pipe found; and continuing a total distance of 2776.54 feet to a point on the cut-bank of the hereinabove described Taylor Bayou (Tract 3) for an interior corner of this unit;

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

THENCE: with the cut-bank of said Taylor Bayou in a southwesterly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 59 degrees 35 minutes 37 seconds West for a distance of 316.89 feet .

THENCE South 38 degrees 19 minutes 18 seconds West for a distance of 200.44 feet .

THENCE South 30 degrees 37 minutes 11 seconds West for a distance of 708.97 feet .

THENCE South 73 degrees 37 minutes 43 seconds West for a distance of 1033.02 feet .

THENCE South 87 degrees 55 minutes 06 seconds West for a distance of 401.17 feet .

THENCE North 60 degrees 43 minutes 55 seconds West for a distance of 399.45 feet .

THENCE North 07 degrees 31 minutes 07 seconds West for a distance of 236.41 feet;

THENCE North 44 degrees 39 minutes 36 seconds East for a distance of 234.54 feet .

THENCE North 87 degrees 15 minutes 27 seconds East for a distance of 178.08 feet .

THENCE North 89 degrees 57 minutes 06 seconds East for a distance of 669.11 feet .

THENCE North 46 degrees 32 minutes 12 seconds East for a distance of 178.91 feet .

THENCE North 38 degrees 58 minutes 05 seconds East for a distance of 256.80 feet .

THENCE North 07 degrees 51 minutes 15 seconds West for a distance of 112.37 feet .

THENCE North 43 degrees 34 minutes 45 seconds West for a distance of 174.99 feet .

THENCE South 87 degrees 23 minutes 08 seconds West for a distance of 278.77 feet .

THENCE North 70 degrees 24 minutes 40 seconds West for a distance of 217.29 feet .

THENCE North 41 degrees 33 minutes 15 seconds West for a distance of 482.95 feet .

THENCE North 59 degrees 46 minutes 06 seconds West for a distance of 607.28 feet .

THENCE North 82 degrees 32 minutes 31 seconds West for a distance of 487.60 feet .

THENCE South 57 degrees 51 minutes 49 seconds West for a distance of 336.76 feet .

THENCE South 33 degrees 47 minutes 16 seconds West for a distance of 285.63 feet .

THENCE South 55 degrees 03 minutes 03 seconds East for a distance of 163.91 feet .

THENCE South 79 degrees 43 minutes 57 seconds East for a distance of 606.48 feet .

THENCE South 53 degrees 06 minutes 10 seconds East for a distance of 288.60 feet .

THENCE South 25 degrees 07 minutes 49 seconds East for a distance of 272.01 feet .

THENCE South 02 degrees 44 minutes 08 seconds West for a distance of 185.05 feet .

THENCE South 48 degrees 02 minutes 04 seconds West for a distance of 792.50 feet .

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Pearl Rhoney* DEPUTY
PEARL RHONEY

THENCE South 86 degrees 23 minutes 10 seconds West for a distance of 425.36 feet .

THENCE South 63 degrees 29 minutes 45 seconds West for a distance of 405.07 feet to a point on or near the apparent east boundary line of the S.W. Pipkin Survey, A-830; same being the west boundary of the hereinabove described State Tract 2-G of Taylor Bayou and the most southwesterly corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, across said Taylor Bayou, a distance of 150.84 feet to a point on the north or northwesterly cut-bank of said bayou; and continuing in a northeasterly direction down the apparent original boundary of said bayou, along the following meanders:

THENCE North 60 degrees 50 minutes 03 seconds East for a distance of 216.61 feet .

THENCE North 36 degrees 18 minutes 14 seconds West for a distance of 349.83 feet .

THENCE North 15 degrees 12 minutes 19 seconds East for a distance of 169.61 feet .

THENCE North 72 degrees 51 minutes 54 seconds East for a distance of 130.75 feet .

THENCE South 62 degrees 22 minutes 01 seconds East for a distance of 147.89 feet .

THENCE South 35 degrees 18 minutes 45 seconds East for a distance of 289.89 feet .

THENCE South 70 degrees 27 minutes 21 seconds West for a distance of 78.31 feet .

THENCE North 54 degrees 20 minutes 19 seconds West for a distance of 61.96 feet .

THENCE South 07 degrees 31 minutes 57 seconds East for a distance of 125.71 feet .

THENCE North 81 degrees 47 minutes 34 seconds East for a distance of 557.73 feet .

THENCE North 48 degrees 02 minutes 04 seconds East for a distance of 465.02 feet .

THENCE North 17 degrees 42 minutes 58 seconds East for a distance of 234.25 feet .

THENCE North 39 degrees 58 minutes 04 seconds West for a distance of 391.66 feet .

THENCE North 77 degrees 11 minutes 08 seconds West for a distance of 330.95 feet .

THENCE South 85 degrees 49 minutes 20 seconds West for a distance of 450.14 feet .

THENCE North 48 degrees 40 minutes 27 seconds West for a distance of 230.43 feet .

THENCE North 33 degrees 41 minutes 51 seconds East for a distance of 504.18 feet .

THENCE North 53 degrees 15 minutes 45 seconds East for a distance of 83.87 feet to a point for the apparent upper west corner of the hereinabove described Tract 4;

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

THENCE: Leaving said bayou, and following the apparent northwest boundary of said Tract 4 along the following courses:

THENCE North 40 degrees 42 minutes 47 seconds East for a distance of 233.07 feet .

THENCE North 86 degrees 12 minutes 47 seconds East for a distance of 972.22 feet .

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 295.50 feet to an iron rod found on line;

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 593.50 feet .

THENCE North 37 degrees 45 minutes 00 seconds East for a distance of 750.00 feet .

THENCE North 51 degrees 42 minutes 47 seconds East for a distance of 1111.11 feet .

THENCE North 03 degrees 47 minutes 13 seconds West for a distance of 1361.11 feet .

THENCE North 30 degrees 42 minutes 47 seconds East for a distance of 1388.89 feet to a point for the apparent north corner of said Tract 4;

THENCE South 56 degrees 48 minutes 20 seconds East, crossing said Taylor Bayou, for a distance of 222.79 feet to a point on the east or southeast cut-bank of said bayou; and continuing with said cut-bank in a southerly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 32 degrees 36 minutes 12 seconds East for a distance of 436.69 feet .

THENCE South 47 degrees 02 minutes 56 seconds East for a distance of 599.00 feet .

THENCE South 13 degrees 07 minutes 53 seconds East for a distance of 433.97 feet .

THENCE South 78 degrees 44 minutes 06 seconds West for a distance of 417.66 feet .

THENCE North 77 degrees 40 minutes 14 seconds West for a distance of 484.54 feet .

THENCE South 77 degrees 38 minutes 20 seconds West for a distance of 211.37 feet .

THENCE South 60 degrees 20 minutes 28 seconds West for a distance of 287.98 feet .

THENCE South 11 degrees 29 minutes 32 seconds West for a distance of 269.70 feet .

THENCE South 33 degrees 09 minutes 22 seconds East for a distance of 170.83 feet .

THENCE South 59 degrees 04 minutes 26 seconds East for a distance of 1093.15 feet .

THENCE South 33 degrees 08 minutes 34 seconds East for a distance of 283.41 feet .

THENCE South 08 degrees 03 minutes 06 seconds East for a distance of 274.61 feet to a point on or near the apparent east line of the W.B. Burton Survey, A-8; said line also being the apparent west boundary of the Bennett Blackman Survey, A-2; said point being the northwest corner of the hereinabove described Tract 2;

THENCE North 87 degrees 32 minutes 29 seconds East for a distance of 1320.00 feet to the northeast corner of said Tract 2;

THENCE South 02 degrees 27 minutes 31 seconds East for a distance of 1320.00 feet to a point for the southeast corner of said Tract 2;

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Pearl Rhoney* DEPUTY
PEARL RHONEY

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1320.00 feet to a point in the east boundary of said Tract 1, same being the apparent common line between said W.B. Burton Survey and said Bennett Blackman Survey;

THENCE South 02 degrees 27 minutes 31 seconds East, with the apparent east boundary of said Tract 1, for a distance of 2740.96 feet to the apparent southeast corner of said Tract 1;

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1224.26 feet TO PLACE OF BEGINNING, Containing 319.83 acres, more or less.

All Bearings shown hereon are Texas Lambert Grid Bearings, NAD-27, South Central Zone. All Distances are Geodetic.

The foregoing Fieldnote Description, and accompanying plat, have been prepared from an actual survey made on the ground during the months of July and August, 1999, and are true and correct to the best of my knowledge and belief, this 29th day of September, 1999.

FORD ENGINEERING FIRM

DuWard Gail Ford

DuWard Gail Ford
Reg. Professional Land Surveyor, #348
September 29, 1999

DGF:sas
Attachment

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

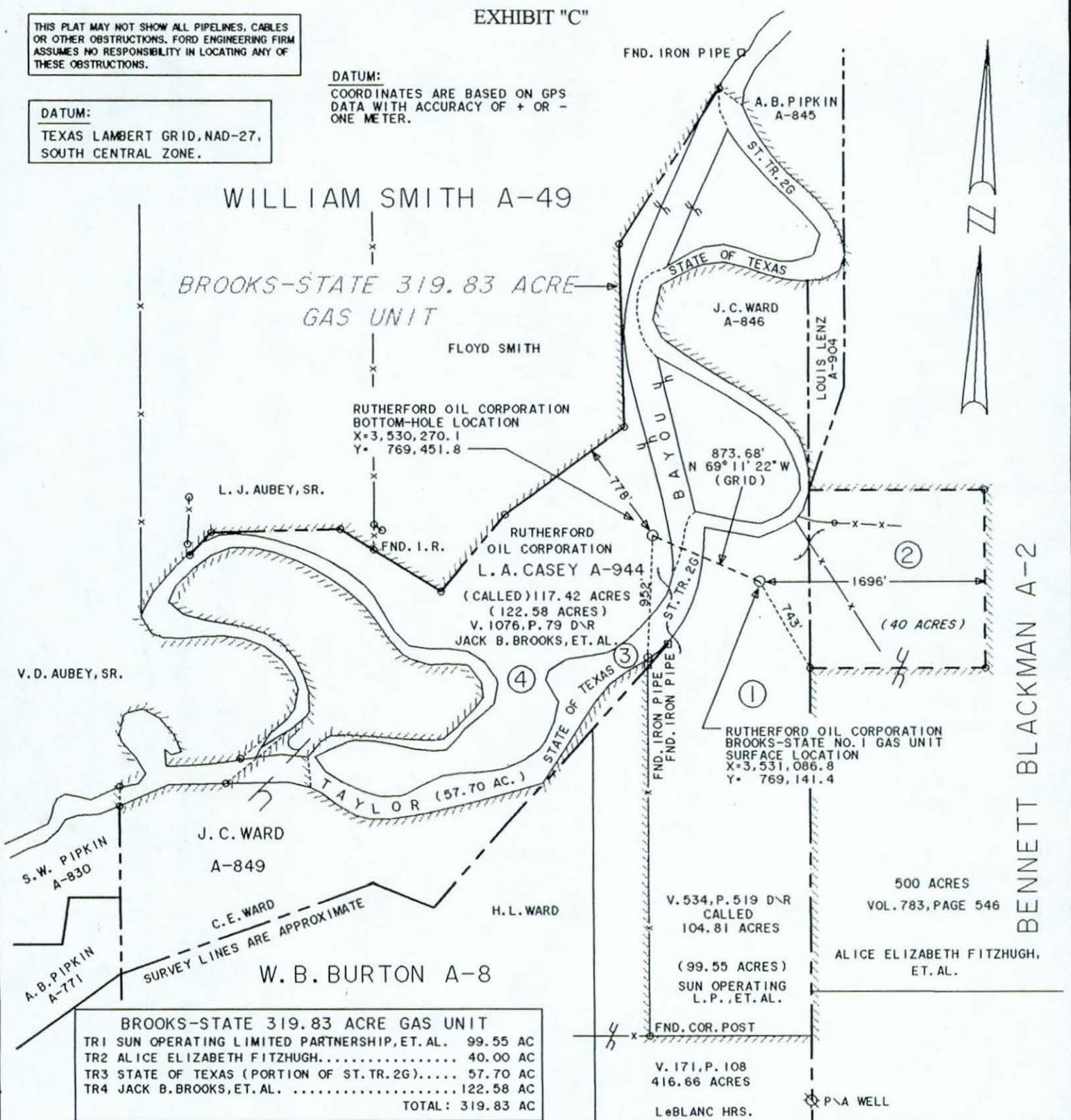
BY *Pearl Rhoney* DEPUTY
PEARL RHONEY

EXHIBIT "C"

THIS PLAT MAY NOT SHOW ALL PIPELINES, CABLES OR OTHER OBSTRUCTIONS. FORD ENGINEERING FIRM ASSUMES NO RESPONSIBILITY IN LOCATING ANY OF THESE OBSTRUCTIONS.

DATUM:
TEXAS LAMBERT GRID, NAD-27,
SOUTH CENTRAL ZONE.

DATUM:
COORDINATES ARE BASED ON GPS
DATA WITH ACCURACY OF + OR -
ONE METER.



BENNETT BLACKMAN A-2

BROOKS-STATE 319.83 ACRE GAS UNIT	
TR1 SUN OPERATING LIMITED PARTNERSHIP, ET. AL.	99.55 AC
TR2 ALICE ELIZABETH FITZHUGH.....	40.00 AC
TR3 STATE OF TEXAS (PORTION OF ST. TR. 2G).....	57.70 AC
TR4 JACK B. BROOKS, ET. AL.	122.58 AC
TOTAL: 319.83 AC	

★ SEE ACCOMPANYING DESCRIPTION FOR METES & BOUNDS ON BROOKS-STATE 319.83 ACRE GAS UNIT.

THE ABOVE PLAT AND ACCOMPANYING DESCRIPTION WERE PREPARED FROM AN ACTUAL SURVEY AND RECORDED INFORMATION. THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS 28TH DAY OF SEPTEMBER, 1999.

DUWARD GAIL FORD
FORD ENGINEERING FIRM,
CIVIL ENGINEERS AND SURVEYORS

BY Duward Gail Ford
DUWARD GAIL FORD
REG. PROFESSIONAL LAND SURVEYOR OF TEXAS NO. 348

RUTHERFORD OIL CORPORATION	
BROOKS-STATE 319.83 ACRE GAS UNIT	
VARIOUS SURVEYS	
JEFFERSON COUNTY, TEXAS	
FORD ENGINEERING FIRM * VICTORIA, TEXAS * 361-573-3249	
SCALE: 1" = 1000'	DATE: 9-28-99
JOB NO.: 9-799-R	
JEFF. 99-5	
DRAWN BY: JRG	
CHECKED BY: DVH	

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY TEXAS

BY Pearl Rhoney DEPUTY
PEARL RHONEY

FILED AND RECORDED

Sandy Walker

1999 OCT 26 02:09 PM 1999041175
SANDY WALKER
COUNTY CLERK
JEFFERSON COUNTY, TEXAS

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

OCT 26 1999

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Pearl Rhoney* DEPUTY
PEARL RHONEY

5

File No. M-100526

Ltr. From Ruth Efford

with recorded copy of pooling agreement

Date Filed: 11/5/99

David Dewhurst, Commissioner

By David Meyer



DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2818

Inactive

Operator Rutherford Oil Corp

Unit Name Brooks-State Gas Unit

County Jefferson

Effective Date September 15, 1999

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 100526

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

57.70 / 319.83 x 1/5 = 3.6082 %

.180408 .020 .036082

2. M.F. No. 100792

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

3. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

REMARKS:

Reduced Royalty to 1/5 if production is on line by 4/6/2000

SEE AMENDED POOLING DATED 1-11-00

Prepared by: Mika May

Date 1/8/99

Map & GIS updated by: [Signature]

Date 11-23-99

Keyed into database by: M.S.W.

Date 11/29/99

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE OF BOARD MEETING: September 21, 1999

APPLICANT: Rutherford Oil Corp.

OPERATOR: Rutherford Oil Corp.

COUNTY: Jefferson

UNIT NAME: Brooks-State Gas Unit

FIELD: Wildcat

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
SF	M-100526	¼ **	4/6/02	3	145	57.70	Rutherford

* SF = State Fee * RAL = Relinquishment Act * FR = Free Royalty

** Subject to variable royalty provision in the lease

PRIVATE ACRES:	<u>262.13</u>
STATE ACRES:	<u>57.70</u>
TOTAL UNIT ACRES:	<u>319.83</u>

Type Unit:	Unitized for:	Well Location:
Permanent <u> x </u>	Oil <u> </u>	State Land <u> x </u>
Temporary <u> </u>	Gas <u> </u>	Private Land <u> x </u>
Term <u> </u>	Both <u> x </u>	

Participation:	Railroad Commission Rules:
Basis <u> Surface acreage </u>	Statewide <u> x </u>
State Acreage <u> 18.041% </u>	Special Field Rules <u> </u>
State Unit Royalty <u> 3.6082% </u>	Spacing <u> </u> Acres

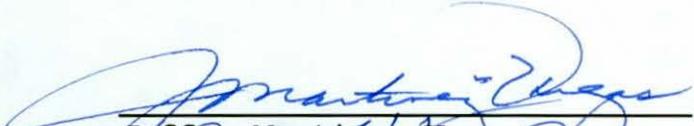
Holds only acreage included in the unit past primary term: Yes x No

REMARKS :

- Rutherford Oil Corporation is requesting permanent oil and gas pooling from the surface to 12,000 feet measured depth of the proposed unit well.
- The applicant plans to spud the proposed unit well on September 15, 1999, to test the Hackberry Formation. The proposed total depth is 11,000 feet measured depth.
- If the unit is approved and the unit well is successfully completed and on-line by April 6, 2000, the applicant will earn a reduced royalty to 20%, making the state's unit royalty participation 3.6082%.
- Horizontal severance is provided for in the state lease.
- APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

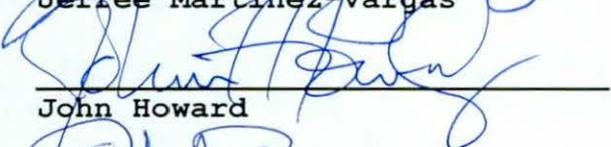
POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a permanent oil and gas unit, under the above stated provisions.



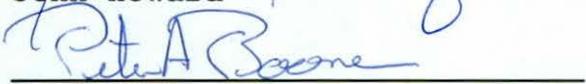
Jeffee Martinez-Vargas

9/2/99
Date



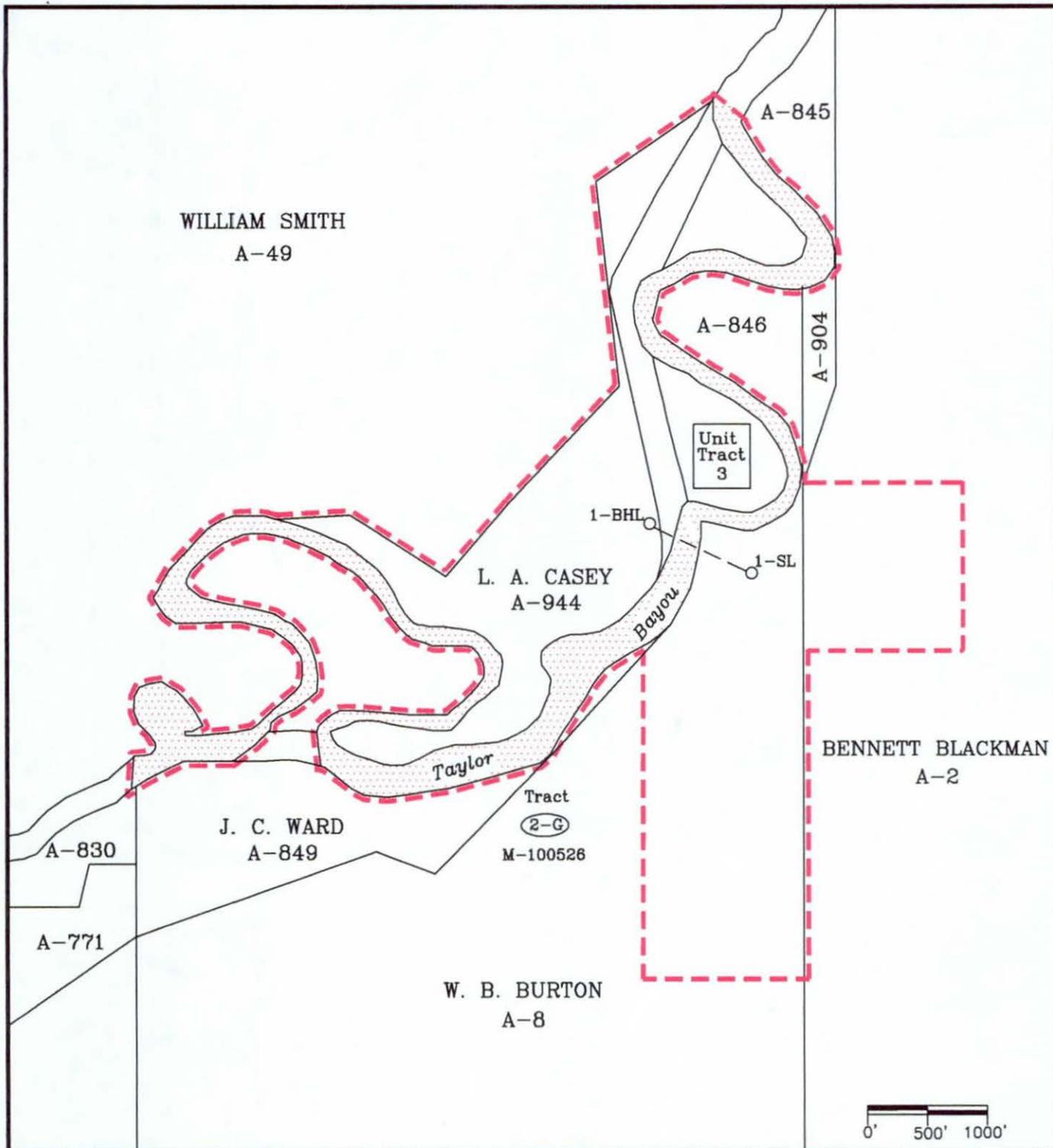
John Howard

9-2-99
Date



Peter A. Boone

9.2.99
Date



99-53\ft\09-99

RUTHERFORD OIL CORPORATION

BROOKS - STATE GAS UNIT

WILDCAT

M-100526

JEFFERSON COUNTY

POOLING AGREEMENT

**RUTHERFORD OIL CORPORATION
BROOKS-STATE UNIT**

JEFFERSON COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Rutherford Oil Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be gas including all hydrocarbons that may be produced from a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Hackberry Formation,

defined as the correlative marker occurring at a depth of 9000' in the Williams Exploration L.J. Aubey Well No. 1 located in the William Smith Survey A-49, down to 100' below the total depth drilled in the Rutherford Oil Corporation Brooks-State Unit Well No. 1 ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement,

provided that, if any State Lease described in Exhibit "A" attached hereto contains provision 4(E) VARIABLE ROYALTY, and a unit well is not located on such State Lease and a reduced royalty has not otherwise been earned, then a reduced royalty may be earned by unit production, but it shall only apply to the acreage included within the unit. Acreage outside of the unitized area must earn a reduced royalty independently.

- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 320 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such

remedy as may be agreeable to the Board.

- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION: 5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND: 6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

EFFECTIVE DATE: 7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 21, 1999; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM: 8.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND: 9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 10.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Jefferson County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER: 11.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any

claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

12.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 10-22-99

STATE OF TEXAS

Legal mka
Content AM
Geology HH
General Counsel RC
Execution [Signature]

By David Dewhurst
David Dewhurst, Commissioner
of the General Land Office

Date Executed October 18, 1999

RUTHERFORD OIL CORPORATION

By Michael S. Duvale
Its President

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 18, 1999, by Michael S. Rutherford as President of RUTHERFORD OIL CORPORATION, a Texas corporation, on behalf of said corporation.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-01

Date Executed October 15, 99

IP PETROLEUM COMPANY, INC.

By Stephen M. Guidry
Stephen M. Guidry
Its Vice President

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on October 15, 1999, by Stephen M. Guichy as Vice President of IP PETROLEUM COMPANY, INC., a Delaware corporation, on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas
Commission expires: 9-15-01

Date Executed October 18, 1999

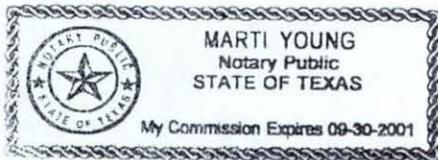
MICHAEL G. RUTHERFORD

[Signature]

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 18, 1999 by MICHAEL G. RUTHERFORD.



[Signature]
Notary Public in and for the State of Texas
Commission expires: 9-30-01

Date Executed October 18, 1999

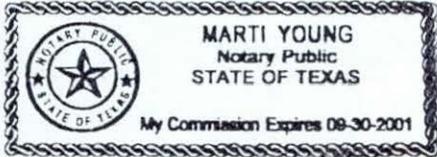
PATRICK R. RUTHERFORD, JR.

[Signature]

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 18, 1999 by PATRICK R. RUTHERFORD, JR.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-01

Date Executed October 7, 1999

BARBARA K. ALEXANDER

Barbara K. Alexander

STATE OF NEVADA

COUNTY OF Carson

This instrument was acknowledged before me on October 7, 1999 by BARBARA K. ALEXANDER.

Connie Delaney
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: June 28, 2001

Date Executed October 7, 1999

THE BARBARA K. ALEXANDER 1983 TRUST

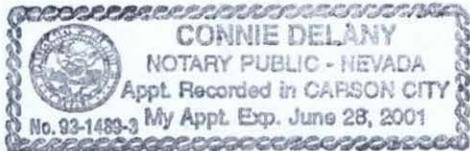


By Barbara K. Alexander
Its Trustee

STATE OF NEVADA

COUNTY OF Carson

This instrument was acknowledged before me on the 17th day of October, 1999, by Barbara K. Alexander, the Trustee of THE BARBARA K. ALEXANDER 1983 TRUST, a TEXAS TRUST, on behalf of said trust.



Connie Delany
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: June 28, 2001

Date Executed October 13, 1999
October 13, 1999

GDM RESOURCES, LTD.

By [Signature]
Its EXECUTIVE VICE PRESIDENT

STATE OF CALIFORNIA

COUNTY OF KERN

This instrument was acknowledged before me on the 13th day of October, 1999, by Gary L. Ronning, the EVP of GDM RSOOURCES, LTD., a Nevada limited partnership, on behalf of said limited partnership.



Michele Caverly
Notary Public in and for the State of ~~Texas~~ California
Commission expires: July 20, 2001

Date Executed October 13, 1999

FERGUSON RESOURCES 1998

By [Signature]
Its EXECUTIVE VICE PRESIDENT

STATE OF CALIFORNIA

COUNTY OF KERN

This instrument was acknowledged before me on October 13, 1999, by Gary L. Ronning as Executive Vice President of FERGUSON RESOURCES 1998, a California corporation, on behalf of said corporation.



Michele Caverly
Notary Public in and for the State of ~~Texas~~ California
Commission expires: July 20, 2001

Date Executed Oct. 12, 1999

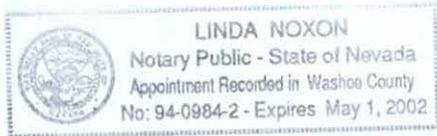
GRABLE BOSWORTH RONNING

Grable Bosworth Ronning

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on Oct. 12, 1999 by GRABLE BOSWORTH RONNING.



Linda Noxon
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: 5/1/02

Date Executed Oct. 12, 1999

THE GRABLE BOSWORTH RONNING
1983 TRUST

By Grable Bosworth Ronning
Its thee

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on the 12th day of Oct., 1999, by GRABIE BOSWORTH RONNING the TRUSTEE of THE GRABIE BOSWORTH RONNING 1983 TRUST, a _____, on behalf of said _____.



Linda Noxon
Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: 5/1/02

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 21st day of September, 1999, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 25 day of October, 1999.

Judy Powell
Secretary of the School Land Board

EXHIBIT "A" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Oil and gas leases covering certain lands included in the Brooks-State Unit, Jefferson County, Texas:

1. That certain Oil, Gas & Mineral Lease dated April 6, 1999, by and between David Dewhurst, Commissioner of the General Land Office of the State of Texas, as Lessor and Dillon J. Ferguson, as Lessee, recorded as document #1999021662 of the Official Records of Jefferson County, Texas, covering approximately 145 acres in Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

2. That certain Oil, Gas & Mineral Lease dated March 17, 1997, by and between Alice Elizabeth Fitzhugh, a widow and feme sole, and John Peregrine Fitzhugh, as Lessor, and Cabot Oil & Gas Corporation, as Lessee, recorded as document #97-9717211 of the Official Records of Jefferson County, Texas, covering 500 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

3. That certain Oil, Gas & Mineral Lease dated April 21, 1999, by and between Sun Operating Limited Partnership, acting by and through Kerr-McGee Corporation, its managing general partner, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for such lease is recorded as document #1999019685 of the Official Records of Jefferson County, Texas, covering 104.81 acres, more or less, Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

4. That certain Oil, Gas & Mineral Lease dated November 13, 1998, by and between Jack B. Brooks, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for said lease is recorded as document #1999014026, Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

5. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between David J. Stewart, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014027 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

6. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between R. Scott Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014028, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

7. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Kristen G. Slyman, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014029 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

8. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Roberta Susan Morrow, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014030, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

9. That certain Oil, Gas & Mineral Lease dated December 16, 1998, by and between Robert F. Garland, III, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014031, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

10. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Robert F. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014032, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

11. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Paula D. Corey, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded

as document #1999014033, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

12. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Jeffrey M. Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014034, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

13. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Sandra Lee Swicki, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014035, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

14. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Bertha Renee Newell, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014038, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

15. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Daniel P. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014037, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

16. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Dan P. Garland, Sue Nell Garland, Attorney-in-Fact for Dan P. Garland, Sr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014036, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

EXHIBIT "B" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Legal Description of the Brooks-State Unit, Jefferson County, Texas (the "Unit"):

RUTHERFORD OIL CORPORATION
Brooks-State 319.83 Acre Gas Unit

W.B. Burton Survey, A-8
Bennett Blackman Survey, A-2
L.A. Casey Survey, A-944
Taylor Bayou, State Tract 2-G
Jefferson County, Texas

THE STATE OF TEXAS
COUNTY OF JEFFERSON

PROPERTY DESCRIPTION: Being 319.83 acres, more or less, out of the W.B. Burton Survey, A-8; the Bennett Blackman Survey, A-2; the L.A. Casey Survey, A-944; and Taylor Bayou, State Tract 2-G, Jefferson County, Texas; said 319.83 acres, more or less, also being all or part of the following tracts:

- TRACT 1: 99.55 acres, more or less, being all of that certain tract of land (called 104.81 acres) described in Deed from Union Bank & Trust Company to J.E. Dycus, dated July 24, 1943, recorded in Volume 534, at page 519 of the Deed Records of Jefferson County, Texas;
- TRACT 2: 40.0 acres, more or less, being part of that certain 500.0 acre tract described as "First Tract" in that certain Decree dated September 11, 1950, in the District Court of Jefferson County, Texas, 58th Judicial District, styled Mary E. Fitzhugh, et al. vs. Erwin J. LeBlanc, et al., Cause No. 63694, a certified copy of which said Decree is recorded in Volume 783 at page 546 of the Deed Records of Jefferson County, Texas;
- TRACT 3: 57.70 acres, more or less, being part of that certain State Tract 2-G in Taylor Bayou as described in Mineral Lease No. M-100526 dated April 6, 1999 from the State of Texas to Dillon J. Ferguson and recorded in File No. 1999021662 of the Jefferson County Public Records of Real Property;
- TRACT 4: 122.58 acres, more or less, being all of that certain tract (called 117.42 acres) granted to L.A. Casey by The State of Texas, dated July 18, 1957 and being of record in Volume 1076 at page 79 of the Deed Records of Jefferson County, Texas.

Said 319.83 acres, more or less, being further described by metes and bounds as follows to-wit:

BEGINNING at a corner post (X = 3,530,384.8 and Y = 765,726.3, NAD-27, Texas South Central Zone) found at the southwest corner of the hereinabove described Tract 1 for the most southerly southwest corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, with the west boundary of said Tract 1 as marked by line of fence, at 2766.13 feet pass a 2-inch iron pipe found; and continuing a total distance of 2776.54 feet to a point on the cut-bank of the hereinabove described Taylor Bayou (Tract 3) for an interior corner of this unit;

THENCE: with the cut-bank of said Taylor Bayou in a southwesterly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 59 degrees 35 minutes 37 seconds West for a distance of 316.89 feet .

THENCE South 38 degrees 19 minutes 18 seconds West for a distance of 200.44 feet .

THENCE South 30 degrees 37 minutes 11 seconds West for a distance of 708.97 feet .

THENCE South 73 degrees 37 minutes 43 seconds West for a distance of 1033.02 feet .

THENCE South 87 degrees 55 minutes 06 seconds West for a distance of 401.17 feet .

THENCE North 60 degrees 43 minutes 55 seconds West for a distance of 399.45 feet .

THENCE North 07 degrees 31 minutes 07 seconds West for a distance of 236.41 feet;

THENCE North 44 degrees 39 minutes 36 seconds East for a distance of 234.54 feet .

THENCE North 87 degrees 15 minutes 27 seconds East for a distance of 178.08 feet .

THENCE North 89 degrees 57 minutes 06 seconds East for a distance of 669.11 feet .

THENCE North 46 degrees 32 minutes 12 seconds East for a distance of 178.91 feet .

THENCE North 38 degrees 58 minutes 05 seconds East for a distance of 256.80 feet .

THENCE North 07 degrees 51 minutes 15 seconds West for a distance of 112.37 feet .

THENCE North 43 degrees 34 minutes 45 seconds West for a distance of 174.99 feet .

THENCE South 87 degrees 23 minutes 08 seconds West for a distance of 278.77 feet .

THENCE North 70 degrees 24 minutes 40 seconds West for a distance of 217.29 feet .

THENCE North 41 degrees 33 minutes 15 seconds West for a distance of 482.95 feet .

THENCE North 59 degrees 46 minutes 06 seconds West for a distance of 607.28 feet .

THENCE North 82 degrees 32 minutes 31 seconds West for a distance of 487.60 feet .

THENCE South 57 degrees 51 minutes 49 seconds West for a distance of 336.76 feet .

THENCE South 33 degrees 47 minutes 16 seconds West for a distance of 285.63 feet .

THENCE South 55 degrees 03 minutes 03 seconds East for a distance of 163.91 feet .

THENCE South 79 degrees 43 minutes 57 seconds East for a distance of 606.48 feet .

THENCE South 53 degrees 06 minutes 10 seconds East for a distance of 288.60 feet .

THENCE South 25 degrees 07 minutes 49 seconds East for a distance of 272.01 feet .

THENCE South 02 degrees 44 minutes 08 seconds West for a distance of 185.05 feet .

THENCE South 48 degrees 02 minutes 04 seconds West for a distance of 792.50 feet .

THENCE South 86 degrees 23 minutes 10 seconds West for a distance of 425.36 feet .

THENCE South 63 degrees 29 minutes 45 seconds West for a distance of 405.07 feet to a point on or near the apparent east boundary line of the S.W. Pipkin Survey, A-830; same being the west boundary of the hereinabove described State Tract 2-G of Taylor Bayou and the most southwesterly corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, across said Taylor Bayou, a distance of 150.84 feet to a point on the north or northwesterly cut-bank of said bayou; and continuing in a northeasterly direction down the apparent original boundary of said bayou, along the following meanders:

THENCE North 60 degrees 50 minutes 03 seconds East for a distance of 216.61 feet .

THENCE North 36 degrees 18 minutes 14 seconds West for a distance of 349.83 feet .

THENCE North 15 degrees 12 minutes 19 seconds East for a distance of 169.61 feet .

THENCE North 72 degrees 51 minutes 54 seconds East for a distance of 130.75 feet .

THENCE South 62 degrees 22 minutes 01 seconds East for a distance of 147.89 feet .

THENCE South 35 degrees 18 minutes 45 seconds East for a distance of 289.89 feet .

THENCE South 70 degrees 27 minutes 21 seconds West for a distance of 78.31 feet .

THENCE North 54 degrees 20 minutes 19 seconds West for a distance of 61.96 feet .

THENCE South 07 degrees 31 minutes 57 seconds East for a distance of 125.71 feet .

THENCE North 81 degrees 47 minutes 34 seconds East for a distance of 557.73 feet .

THENCE North 48 degrees 02 minutes 04 seconds East for a distance of 465.02 feet .

THENCE North 17 degrees 42 minutes 58 seconds East for a distance of 234.25 feet .

THENCE North 39 degrees 58 minutes 04 seconds West for a distance of 391.66 feet .

THENCE North 77 degrees 11 minutes 08 seconds West for a distance of 330.95 feet .

THENCE South 85 degrees 49 minutes 20 seconds West for a distance of 450.14 feet .

THENCE North 48 degrees 40 minutes 27 seconds West for a distance of 230.43 feet .

THENCE North 33 degrees 41 minutes 51 seconds East for a distance of 504.18 feet .

THENCE North 53 degrees 15 minutes 45 seconds East for a distance of 83.87 feet to a point for the apparent upper west corner of the hereinabove described Tract 4;

THENCE: Leaving said bayou, and following the apparent northwest boundary of said Tract 4 along the following courses:

THENCE North 40 degrees 42 minutes 47 seconds East for a distance of 233.07 feet .

THENCE North 86 degrees 12 minutes 47 seconds East for a distance of 972.22 feet .

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 295.50 feet to an iron rod found on line;

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 593.50 feet .

THENCE North 37 degrees 45 minutes 00 seconds East for a distance of 750.00 feet .

THENCE North 51 degrees 42 minutes 47 seconds East for a distance of 1111.11 feet .

THENCE North 03 degrees 47 minutes 13 seconds West for a distance of 1361.11 feet .

THENCE North 30 degrees 42 minutes 47 seconds East for a distance of 1388.89 feet to a point for the apparent north corner of said Tract 4;

THENCE South 56 degrees 48 minutes 20 seconds East, crossing said Taylor Bayou, for a distance of 222.79 feet to a point on the east or southeast cut-bank of said bayou; and continuing with said cut-bank in a southerly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 32 degrees 36 minutes 12 seconds East for a distance of 436.69 feet .

THENCE South 47 degrees 02 minutes 56 seconds East for a distance of 599.00 feet .

THENCE South 13 degrees 07 minutes 53 seconds East for a distance of 433.97 feet .

THENCE South 78 degrees 44 minutes 06 seconds West for a distance of 417.66 feet .

THENCE North 77 degrees 40 minutes 14 seconds West for a distance of 484.54 feet .

THENCE South 77 degrees 38 minutes 20 seconds West for a distance of 211.37 feet .

THENCE South 60 degrees 20 minutes 28 seconds West for a distance of 287.98 feet .

THENCE South 11 degrees 29 minutes 32 seconds West for a distance of 269.70 feet .

THENCE South 33 degrees 09 minutes 22 seconds East for a distance of 170.83 feet .

THENCE South 59 degrees 04 minutes 26 seconds East for a distance of 1093.15 feet .

THENCE South 33 degrees 08 minutes 34 seconds East for a distance of 283.41 feet .

THENCE South 08 degrees 03 minutes 06 seconds East for a distance of 274.61 feet to a point on or near the apparent east line of the W.B. Burton Survey, A-8; said line also being the apparent west boundary of the Bennett Blackman Survey, A-2; said point being the northwest corner of the hereinabove described Tract 2;

THENCE North 87 degrees 32 minutes 29 seconds East for a distance of 1320.00 feet to the northeast corner of said Tract 2;

THENCE South 02 degrees 27 minutes 31 seconds East for a distance of 1320.00 feet to a point for the southeast corner of said Tract 2;

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1320.00 feet to a point in the east boundary of said Tract 1, same being the apparent common line between said W.B. Burton Survey and said Bennett Blackman Survey;

THENCE South 02 degrees 27 minutes 31 seconds East, with the apparent east boundary of said Tract 1, for a distance of 2740.96 feet to the apparent southeast corner of said Tract 1;

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1224.26 feet TO PLACE OF BEGINNING, Containing 319.83 acres, more or less.

All Bearings shown hereon are Texas Lambert Grid Bearings, NAD-27, South Central Zone. All Distances are Geodetic.

The foregoing Fieldnote Description, and accompanying plat, have been prepared from an actual survey made on the ground during the months of July and August, 1999, and are true and correct to the best of my knowledge and belief, this 29th day of September, 1999.

FORD ENGINEERING FIRM



DuWard Gail Ford
Reg. Professional Land Surveyor, #348
September 29, 1999

DGF:sas
Attachment

EXHIBIT "C"

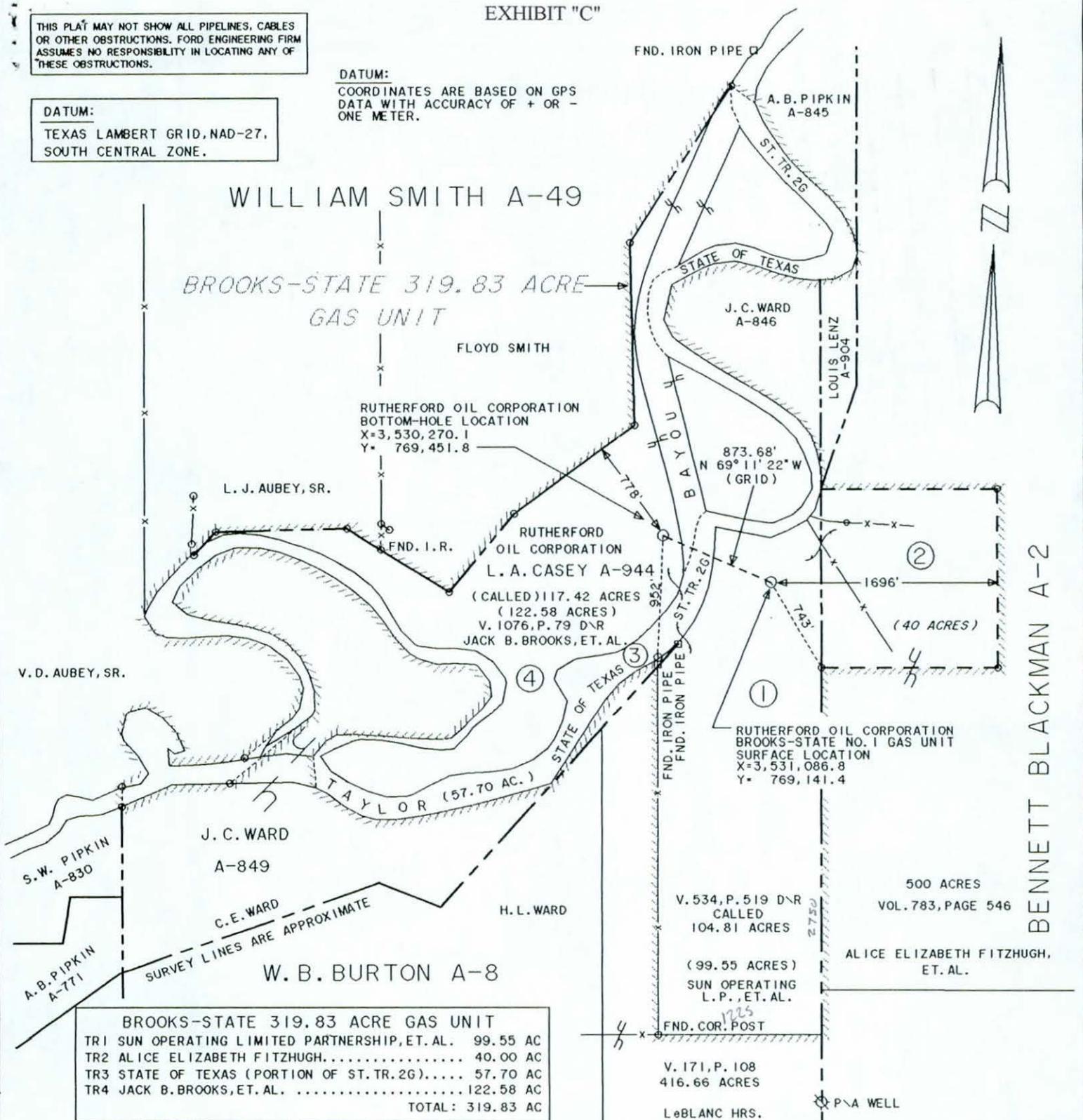
THIS PLAT MAY NOT SHOW ALL PIPELINES, CABLES OR OTHER OBSTRUCTIONS. FORD ENGINEERING FIRM ASSUMES NO RESPONSIBILITY IN LOCATING ANY OF THESE OBSTRUCTIONS.

DATUM:
TEXAS LAMBERT GRID, NAD-27,
SOUTH CENTRAL ZONE.

DATUM:
COORDINATES ARE BASED ON GPS
DATA WITH ACCURACY OF + OR -
ONE METER.

WILLIAM SMITH A-49

BROOKS-STATE 319.83 ACRE
GAS UNIT



BENNETT BLACKMAN A-2

BROOKS-STATE 319.83 ACRE GAS UNIT	
TR1	SUN OPERATING LIMITED PARTNERSHIP, ET. AL. 99.55 AC
TR2	ALICE ELIZABETH FITZHUGH..... 40.00 AC
TR3	STATE OF TEXAS (PORTION OF ST. TR. 26)..... 57.70 AC
TR4	JACK B. BROOKS, ET. AL. 122.58 AC
TOTAL: 319.83 AC	

★ SEE ACCOMPANYING DESCRIPTION FOR METES & BOUNDS ON BROOKS-STATE 319.83 ACRE GAS UNIT.

THE ABOVE PLAT AND ACCOMPANYING DESCRIPTION WERE PREPARED FROM AN ACTUAL SURVEY AND RECORDED INFORMATION. THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS 28TH DAY OF SEPTEMBER, 1999.

FORD ENGINEERING FIRM
CIVIL ENGINEERS AND SURVEYORS

BY *Duward Gail Ford*
DUWARD GAIL FORD
REG. PROFESSIONAL LAND SURVEYOR OF TEXAS NO. 348

RUTHERFORD OIL CORPORATION	
BROOKS-STATE 319.83 ACRE GAS UNIT	
VARIOUS SURVEYS	
JEFFERSON COUNTY, TEXAS	
FORD ENGINEERING FIRM * VICTORIA, TEXAS * 361-573-3249	
SCALE: 1" = 1000'	DATE: 9-28-99
JOB NO.: 9-799-R	
JEFF. 99-5	
DRAWN BY: JRG	
CHECKED BY: DVH	

LAYER 3
TAYLOR, CRD

6.

7/10/11/14

File No. MF/00526
Spelling Unit
Agreement
Date Filed: 4/30/99
By: [Signature]
Debra D. Whitford, Commissioner



DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2818

Inactive

Operator Rutherford Oil Corp

Unit Name Brooks - State Gas Unit

County Jefferson

Effective Date 9/13/99

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 100526

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

57.70/319.83 x 1/5 3.6082 %

.180408 x .20 .036082

2. M.F. No. 100792

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

.691630 x 1/16 4.32269 %

.691630 x .0625 .0432269

3. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ %

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ %

REMARKS: Amendment to original unit M.F. 100792 includes overriding royalty interest of 1.92729% in addition to the 2.3954% from surface acreage. TPF is "backed" into base on the total royalty participation of 4.32269 for this lease.

Prepared by: M.P.C. May

Date 3/24/2000

Map & GIS updated by:

Date

Entered into database by:

Date

M. Silva

3-29-00



MEMORANDUM

Texas General Land Office • David Dewhurst • Commissioner

DATE: January 11, 2000 PA#: 00-04
TO: School Land Board
FROM: Pooling Committee
SUBJECT: Amendment to the Brooks-State Gas Unit, Jefferson County

- On September 21, 1999, the School Land Board approved permanent oil and gas pooling for a part of State Lease M-100526 (Taylor Bayou) into the Brooks-State Gas Unit. The state's unit royalty participation on this lease is 3.6082%.
- It has come to the attention of the Pooling Committee that the state has a free royalty interest in a 122.58-acre tract located within the boundaries of the unit.
- Generally, the School Land Board does not approve including state free royalty in a pooled unit when the free royalty tract is the drill site tract, or in this case, the tract on which the production perforations will be located. The applicant has indicated that if the State insisted on participating on a lease basis, the well would not be drilled and completed under the free royalty tract, thereby depriving the State from any additional participation in the unit.
- The applicant is requesting Board approval to ratify the state's 1/16 free royalty interest in the unit on a surface acreage basis. In addition to the free royalty interest being included on a surface acreage basis, the applicant has agreed to pay an overriding royalty interest of 1.92729%, in order to drill the unit well in the most advantageous geologic position.
- The override is the midpoint between the difference of participation on a lease basis (6.25%) and participation on a pooled basis (2.3954%). If the Board approves the amendment, the inclusion of the free royalty interest and the override will increase the state's total unit royalty participation to 7.93086%.

POOLING COMMITTEE RECOMMENDATION:

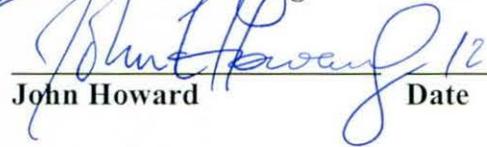
- The Pooling Committee recommends Board approval to amend the Brooks-State Gas Unit to include the state's free royalty interest, under the above conditions.


Jeffee Martinez-Vargas

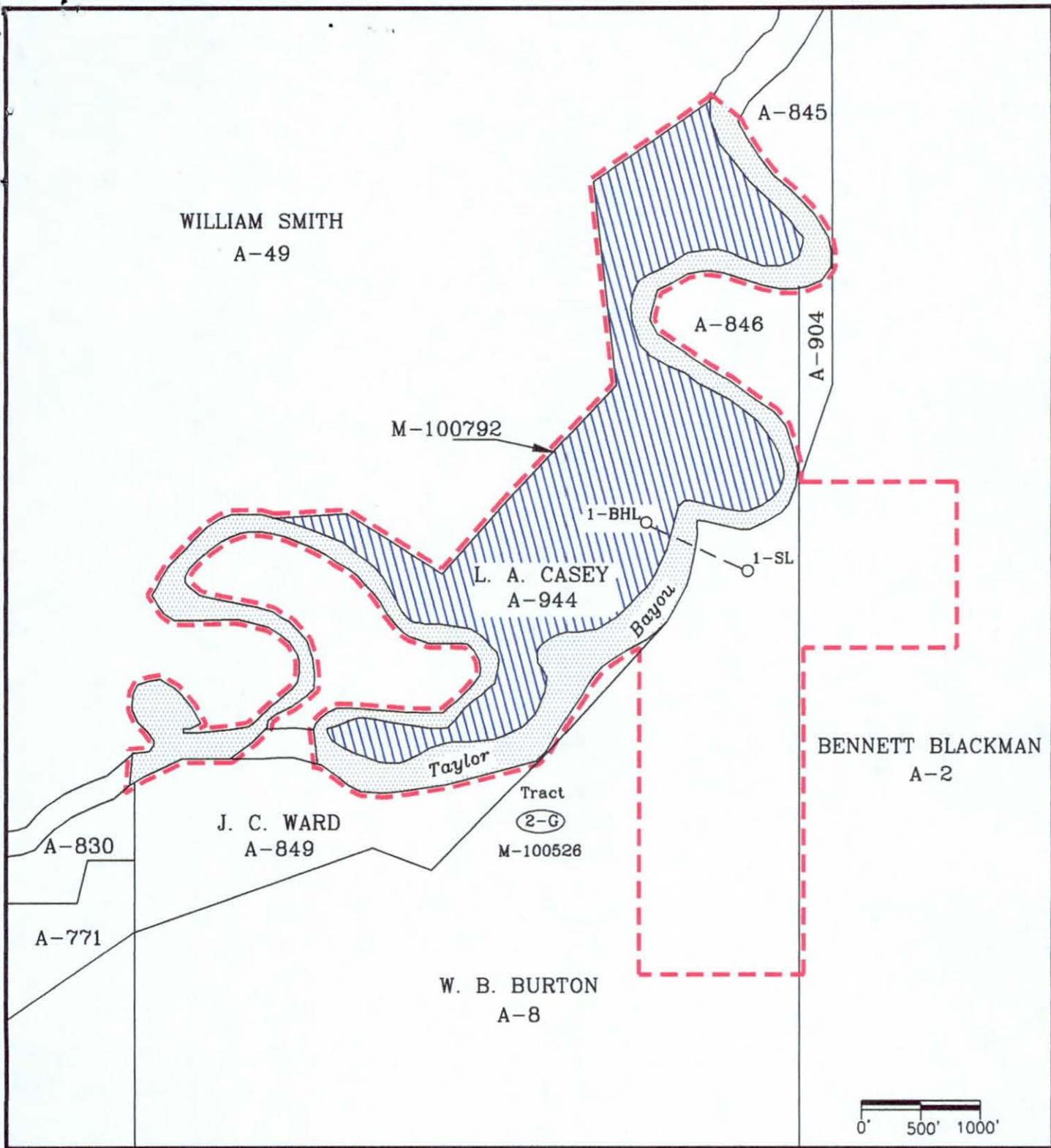
12/22/99
Date


Peter A. Boone

12-22-99
Date


John Howard

12-22-99
Date



00-04\ft\01-00

RUTHERFORD OIL CORPORATION
 BROOKS - STATE GAS UNIT
 WILDCAT
 M-100792
 JEFFERSON COUNTY

**AMENDMENT OF POOLING AGREEMENT
RUTHERFORD OIL CORPORATION
BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS**

This Agreement is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Rutherford Oil Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "Parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

WHEREAS, pursuant to approval of the School Land Board on September 21, 1999, a Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit, Jefferson County, Texas, has previously been executed by the Parties and said Pooling Agreement has been recorded as Document No. 1999041175 of the Official Records of Jefferson County, Texas; and

WHEREAS, the Rutherford Oil Corporation Brooks-State Unit referenced above comprises 319.83 acres of land consisting of four separate tracts in Jefferson County, Texas, more particularly described in said Pooling Agreement; and

WHEREAS, subsequent to the execution of said Pooling Agreement, it has been determined that the State of Texas owns a free royalty interest beneath Tract 4 as described on Exhibit "B" to the Pooling Agreement, which free royalty interest was not

brought to the attention of the School Land Board at the September 21, 1999, School Land Board meeting at which approval was given to pooling the State's royalty in Unit Tract 3 as described on Exhibit "B" to the Pooling Agreement; and

WHEREAS, a mineral file number has now been assigned to the leases within the unit covering the State's free royalty interest in Unit Tract 4, said mineral file being M-100792; and

WHEREAS, on January 11, 2000, the School Land Board considered the application of Rutherford Oil Corporation to amend the Brooks-State Unit to specifically include authorization to pool the State's free royalty interest in Unit Tract 4, M-100792;

NOW, THEREFORE, the Parties hereto agree to amend the Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit effective as of the date of first production from such unit, so as to pool the State's free royalty interest in Unit Tract 4 (Mineral File No. M-100792) on the same terms and conditions as set forth in the Pooling Agreement referenced above and this free royalty interest is hereby included in the unit. The Parties hereto further amend the Pooling Agreement by stipulating that on Exhibit "A" to said Pooling Agreement, Lease Nos. 4 through 16 all cover undivided mineral interests in Unit Tract 4 which have been leased by the executive rights owners of that tract, as Lessor, and all of such leases cover a portion of the State's free royalty interest in Tract 4 and such leases have been collectively assigned Mineral File No. M-100792 by the Texas General Land Office.

Dated this 3RD day of FEBRUARY, 2000.

Date Executed 3-14-2000

STATE OF TEXAS

Legal mka
Content per
Geology 11
General Counsel [Signature]
Execution [Signature]

By David Dewhurst
David Dewhurst, Commissioner
of the General Land Office

Date Executed FEBRUARY 3 2000

RUTHERFORD OIL CORPORATION

By Mike D. Rutherford
Its PRESIDENT

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 3, 2000, by Mike D. Rutherford as President of RUTHERFORD OIL CORPORATION, a Texas corporation, on behalf of said corporation.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-2001

Date Executed February 10, 2000

IP PETROLEUM COMPANY, INC.

By [Signature]
Stephen M. Guidry
Vice President
Its [Signature]

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 10, 2000, by Stephen M. Guiry as Vice President of IP PETROLEUM COMPANY, INC., a Delaware corporation, on behalf of said corporation.



Tina C. McCoy
Notary Public in and for the State of Texas
Commission expires: 9-15-01

Date Executed FEBRUARY 3, 2000

MICHAEL G. RUTHERFORD

Michael G. Rutherford

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 3, 2000 by MICHAEL G. RUTHERFORD.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-2001

Date Executed FEBRUARY 3, 2000

PATRICK R. RUTHERFORD, JR.

Patrick R. Rutherford

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 3, 2000 by PATRICK R. RUTHERFORD, JR.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-2001

Date Executed 2-12-00

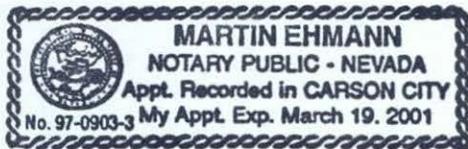
BARBARA K. ALEXANDER

Barbara K. Alexander

STATE OF NEVADA

COUNTY OF CARSON CITY

This instrument was acknowledged before me on 12 FEB 2000 by BARBARA K. ALEXANDER.



Martin Ehmann
Notary Public in and for the State of ~~Texas~~ NEVADA bka
Commission expires: MARCH 19, 2001

Date Executed 2-12-00

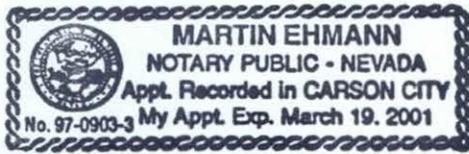
THE BARBARA K. ALEXANDER 1983 TRUST

By Barbara K. Alexander
Its Trustee

STATE OF NEVADA

COUNTY OF CARSON CITY

This instrument was acknowledged before me on the 12th day of February, 2000, by BARBARA K. ALEXANDER, the TRUSTEE of THE BARBARA K. ALEXANDER 1983 TRUST, on behalf of said TRUST.



[Signature]
Notary Public in and for the State of ~~Texas~~ NEVADA
Commission expires: 19 MAR 2001

Date Executed February 11, 2000

GDM RESOURCES, LTD.

By [Signature]
Its Senior Vice President

STATE OF CALIFORNIA

COUNTY OF Kern

This instrument was acknowledged before me on the 11th day of February, 2000, by Gray L. Roming, the Senior Vice Pres of GDM RESOURCES, LTD., a Nevada limited partnership, on behalf of said limited partnership.



[Signature]
Notary Public in and for the State of ~~Texas~~ California
Commission expires: 01/14/2004

Date Executed February 11, 2000

FERGUSON RESOURCES 1998

By [Signature]
Its Senior Vice President

STATE OF CALIFORNIA

COUNTY OF KERN

This instrument was acknowledged before me on February 11, 2000, by Gary L. Ronning as Senior Vice President of FERGUSON RESOURCES 1998, a General Partnership corporation, on behalf of said corporation.



Karen K. Priddy
Notary Public in and for the State of ~~Texas~~ California
Commission expires: 01/14/2004

Date Executed 2-29-00

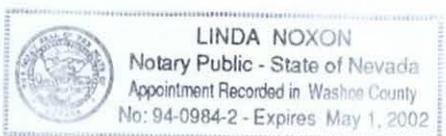
GRABLE BOSWORTH RONNING

Grable Bosworth Ronning

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on Feb. 29, 2000 by GRABLE BOSWORTH RONNING.



Linda Noxon
Notary Public in and for the State of ~~Texas~~ NEVADA
Commission expires: 5/1/02

Date Executed 2-29-00

THE GRABLE BOSWORTH RONNING
1983 TRUST

By Grable Bosworth Ronning, trustee
Its TRUSTEE

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on the 29th day of Feb., 2000, by GRABLE BOSWORTH RONNING, the TRUSTEE of THE GRABLE BOSWORTH RONNING 1983 TRUST, a _____, on behalf of said TRUST.

Linda Noxon

Notary Public in and for the State of ~~Texas~~ NEVADA
Commission expires: 5/1/02



DD/ch

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST
BROOKS-STATE UNIT WELL NO. 1
(WELLBORE ONLY)

STATE OF TEXAS

§
§
§

COUNTY OF JEFFERSON

Assignors:

Michael G. Rutherford
5 East Greenway Plaza, Suite 220
Houston, TX 77046

Patrick R. Rutherford, Jr.
5 East Greenway Plaza, Suite 220
Houston, TX 77046

IP Petroleum Company, Inc.
1600 Smith Street, Suite 3600
Houston, TX 77002

Ferguson Resources 1998
P. O. Box 2508
Bakersfield, CA 93303-2508

GDM Resources, Ltd.
P. O. Box 2508
Bakersfield, CA 93303-2508

Grable Bosworth Ronning
P. O. Box 9288
Incline Village, NV 89452-9288

The Grable Bosworth Ronning 1983 Trust
P. O. Box 9288
Incline Village, NV 89452-9288

Barbara K. Alexander
85 Jeffrey Pine Lane
Carson City, NV 89705

The Barbara K. Alexander 1983 Trust
85 Jeffrey Pine Lane
Carson City, NV 89705

Assignee: State of Texas, by and through the Commissioner of
the General Land Office
1700 North Congress Avenue
Austin, Texas 78701

Date Executed: FEBRUARY 3, 2000

Effective Date: FEBRUARY 3, 2000

Assignors, named above, are vested with title to the leasehold estate created by the oil and gas leases (the "Leases") as described in Exhibit "A" attached to this Assignment and incorporated by reference for all purposes which leases or portions thereof comprise the Rutherford Oil Corporation Brooks-State Unit, more fully described on Exhibit "B" and depicted on the plat labeled Exhibit "C", both of which are attached hereto and incorporated by reference for all purposes. Assignors desire to assign to Assignee, named above, an overriding royalty interest in the Leases, limited to the production from Assignors' Brooks-State Unit No. 1 Well ("Well"). The Well is more fully defined and described on Exhibit "D," attached hereto and incorporated herein by reference herein for all purposes.

For valuable consideration, Assignors transfer, assign and convey to Assignee, in the proportions that the leasehold estate owned by each of the Assignors named above bears to the total undivided leasehold estate of all Assignors, (which proportions are set forth on the signature pages for each Assignor) an overriding royalty interest of 1.92729% (0.0192729) of 8/8ths of all of the oil, gas and associated hydrocarbons produced, saved, and marketed from the Leases INsofar AND ONLY INsofar as the Leases cover all of Assignor's rights in and to oil, gas, casinghead gas, distillate and/or condensate that may be produced from the Well (the "Override"). Assignors expressly reserve all rights in the Leases and the Well other than those specifically conveyed herein.

This Assignment by Assignors is subject to the following:

1. The Override is subject to all applicable laws, rules, regulations and orders of appropriate governmental authorities.
2. The Override is assigned free and clear of all drilling, testing, equipping, completing and operating costs and expenses and without deduction for the cost of producing, transporting and otherwise making the oil, gas and other products attributable to the Override ready for sale or use. However, the payment of proceeds attributable to the Override shall not be reduced for severance or property taxes of any kind pursuant to the Constitution of the State of Texas, Art. VII, Section 5, and the Texas Tax Code, Section 11.11(a).
3. All payments to the Override shall be made or delivered to Assignee in the same manner as payment of royalty to the lessors under the Leases.
4. No obligations, express or implied, shall arise by reason of the conveyance of the Override which shall obligate Assignors to maintain the Leases either by payment of delay rentals, compensatory royalty or other payments, or by the drilling of any wells. Assignee is to receive the Override from

production of oil, gas and associated hydrocarbons from the Well when produced and saved at the Well under the terms of the Leases.

5. The Override shall apply not only to the Leases but also to any renewals or extensions thereof which may be obtained by any of the Assignors, or their respective successors and assigns, within six (6) months after the respective expiration of the prior Lease which has been renewed or extended, but INSO FAR AND ONLY INSO FAR as such renewals or extensions relate to the Well. Assignors shall further provide notice to Assignee as to when the last surviving Lease has terminated, such notice to be given within thirty (30) days of Assignors' determination that such surviving lease has terminated.

Assignors represent that the overriding royalty interest is conveyed free and clear of all liens and encumbrances. Assignors have full right, power and authority to assign the Override to Assignee. Assignors assign the Override to Assignee with a special warranty of title.

The terms and provisions of this Assignment shall inure to the benefit of Assignors and Assignee and to their heirs, legal representatives, successors and/or assigns.

This Assignment may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties actually joined in and executed one and the same document. For recording purposes, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Assignment so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

ASSIGNORS:

Michael G. Rutherford (.36000000)

Michael G. Rutherford

Patrick Rutherford, Jr. (.36000000)

Patrick Rutherford Jr

IP Petroleum Company, Inc. (.25000000)

By: Stephen M. Gujary 
Its: Stephen M. Gujary
Vice President

Ferguson Resources 1998 (.01350000)

By: [Signature]
Its: _____

GDM Resources, Ltd. (.00300000)

By: [Signature]
Its: _____

Grable Bosworth Ronning (.00459000)

Grable Bosworth Ronning

The Grable Bosworth Ronning 1983 Trust (.00216000)

By: Grable Bosworth Ronning, the
Its: TRUSTEE

Barbara K. Alexander (.00459000)

Barbara K. Alexander

The Barbara K. Alexander 1983 Trust (.00216000)

By: Barbara K. Alexander
Its: Trustee

STATE OF TEXAS §
COUNTY OF Harris §

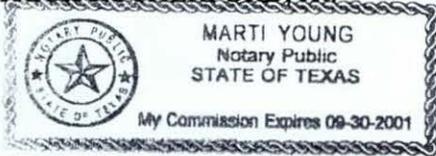
This instrument was acknowledged before me on the 3rd day of February, 2000, by
MICHAEL G. RUTHERFORD.



Marti Young
Notary Public in and for the State of Texas

STATE OF TEXAS §
COUNTY OF Harris §

This instrument was acknowledged before me on the 3rd day of February, 2000, by
PATRICK RUTHERFORD, JR.



Marti Young
Notary Public in and for the State of Texas

STATE OF TEXAS §
COUNTY OF Harris §

This instrument was acknowledged before me on the 10th day of February, 2000, by
Stephen M. Guigas the Vice President of IP PETROLEUM COMPANY, INC., a Delaware corporation, on
behalf of said corporation.



Tina C. McCoy
Notary Public in and for the State of Texas

STATE OF CALIFORNIA §
COUNTY OF Kern §

This instrument was acknowledged before me on the 14th day of February, 2000, by
GARY L. RANNING, the Sr. Vice Pres. FERGUSON RESOURCES 1998, a Limited
Partnership corporation, on behalf of said corporation. GENERAL



Karen K. Priddy
Notary Public in and for the State of California
5 Commission Expires Jan 14 2004

EXHIBIT D

Definition of Terms

As set forth in the attached Assignment of Overriding Royalty Interest, Brooks-State Unit No. 1 (Wellbore Only), the following terms shall have the meanings as set forth below:

The "Well" shall mean that certain wellbore currently operated by Rutherford Oil Corporation, the surface location of which is located 376 feet FEL and 329 feet FNL of the W B BURTON A-8 Survey, Jefferson County and the bottomhole location of which is located 900 feet FNWL and 50 feet FEL of the L A CASEY A-944 Survey, Jefferson County, Texas and which wellbore has been assigned API No. 42-245-32225.

**EXHIBIT "A" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS**

Oil and gas leases covering certain lands included in the Brooks-State Unit, Jefferson County, Texas:

1. That certain Oil, Gas & Mineral Lease dated April 6, 1999, by and between David Dewhurst, Commissioner of the General Land Office of the State of Texas, as Lessor and Dillon J. Ferguson, as Lessee, recorded as document #1999021662 of the Official Records of Jefferson County, Texas, covering approximately 145 acres in Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

2. That certain Oil, Gas & Mineral Lease dated March 17, 1997, by and between Alice Elizabeth Fitzhugh, a widow and feme sole, and John Peregrine Fitzhugh, as Lessor, and Cabot Oil & Gas Corporation, as Lessee, recorded as document #97-9717211 of the Official Records of Jefferson County, Texas, covering 500 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

3. That certain Oil, Gas & Mineral Lease dated April 21, 1999, by and between Sun Operating Limited Partnership, acting by and through Kerr-McGee Corporation, its managing general partner, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for such lease is recorded as document #1999019685 of the Official Records of Jefferson County, Texas, covering 104.81 acres, more or less, Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

4. That certain Oil, Gas & Mineral Lease dated November 13, 1998, by and between Jack B. Brooks, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for said lease is recorded as document #1999014026, Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

5. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between David J. Stewart, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014027 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

6. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between R. Scott Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014028, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

7. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Kristen G. Slyman, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014029 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

8. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Roberta Susan Morrow, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014030, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

9. That certain Oil, Gas & Mineral Lease dated December 16, 1998, by and between Robert F. Garland, III, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014031, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

10. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Robert F. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014032, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

11. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Paula D. Corey, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded

as document #1999014033, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

12. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Jeffrey M. Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014034, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

13. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Sandra Lee Swicki, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014035, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

14. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Bertha Renee Newell, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014038, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

15. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Daniel P. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014037, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

16. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Dan P. Garland, Sue Nell Garland, Attorney-in-Fact for Dan P. Garland, Sr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014036, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

EXHIBIT "B" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Legal Description of the Brooks-State Unit, Jefferson County, Texas (the "Unit"):

RUTHERFORD OIL CORPORATION
Brooks-State 319.83 Acre Gas Unit

W.B. Burton Survey, A-8
Bennett Blackman Survey, A-2
L.A. Casey Survey, A-944
Taylor Bayou, State Tract 2-G
Jefferson County, Texas

THE STATE OF TEXAS
COUNTY OF JEFFERSON

PROPERTY DESCRIPTION: Being 319.83 acres, more or less, out of the W.B. Burton Survey, A-8; the Bennett Blackman Survey, A-2; the L.A. Casey Survey, A-944; and Taylor Bayou, State Tract 2-G, Jefferson County, Texas; said 319.83 acres, more or less, also being all or part of the following tracts:

- TRACT 1: 99.55 acres, more or less, being all of that certain tract of land (called 104.81 acres) described in Deed from Union Bank & Trust Company to J.E. Dycus, dated July 24, 1943, recorded in Volume 534, at page 519 of the Deed Records of Jefferson County, Texas;
- TRACT 2: 40.0 acres, more or less, being part of that certain 500.0 acre tract described as "First Tract" in that certain Decree dated September 11, 1950, in the District Court of Jefferson County, Texas, 58th Judicial District, styled Mary E. Fitzhugh, et al. vs. Erwin J. LeBlanc, et al., Cause No. 63694, a certified copy of which said Decree is recorded in Volume 783 at page 546 of the Deed Records of Jefferson County, Texas;
- TRACT 3: 57.70 acres, more or less, being part of that certain State Tract 2-G in Taylor Bayou as described in Mineral Lease No. M-100526 dated April 6, 1999 from the State of Texas to Dillon J. Ferguson and recorded in File No. 1999021662 of the Jefferson County Public Records of Real Property;
- TRACT 4: 122.58 acres, more or less, being all of that certain tract (called 117.42 acres) granted to L.A. Casey by The State of Texas, dated July 18, 1957 and being of record in Volume 1076 at page 79 of the Deed Records of Jefferson County, Texas.

Said 319.83 acres, more or less, being further described by metes and bounds as follows to-wit:

BEGINNING at a corner post (X = 3,530,384.8 and Y = 765,726.3, NAD-27, Texas South Central Zone) found at the southwest corner of the hereinabove described Tract 1 for the most southerly southwest corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, with the west boundary of said Tract 1 as marked by line of fence, at 2766.13 feet pass a 2-inch iron pipe found, and continuing a total distance of 2776.54 feet to a point on the cut-bank of the hereinabove described Taylor Bayou (Tract 3) for an interior corner of this unit;

THENCE: with the cut-bank of said Taylor Bayou in a southwesterly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 59 degrees 35 minutes 37 seconds West for a distance of 316.89 feet .

THENCE South 38 degrees 19 minutes 18 seconds West for a distance of 200.44 feet .

THENCE South 30 degrees 37 minutes 11 seconds West for a distance of 708.97 feet .

THENCE South 73 degrees 37 minutes 43 seconds West for a distance of 1033.02 feet .

THENCE South 87 degrees 55 minutes 06 seconds West for a distance of 401.17 feet .

THENCE North 60 degrees 43 minutes 55 seconds West for a distance of 399.45 feet .

THENCE North 07 degrees 31 minutes 07 seconds West for a distance of 236.41 feet;

THENCE North 44 degrees 39 minutes 36 seconds East for a distance of 234.54 feet .

THENCE North 87 degrees 15 minutes 27 seconds East for a distance of 178.08 feet .

THENCE North 89 degrees 57 minutes 06 seconds East for a distance of 669.11 feet .

THENCE North 46 degrees 32 minutes 12 seconds East for a distance of 178.91 feet .

THENCE North 38 degrees 58 minutes 05 seconds East for a distance of 256.80 feet .

THENCE North 07 degrees 51 minutes 15 seconds West for a distance of 112.37 feet .

THENCE North 43 degrees 34 minutes 45 seconds West for a distance of 174.99 feet .

THENCE South 87 degrees 23 minutes 08 seconds West for a distance of 278.77 feet .

THENCE North 70 degrees 24 minutes 40 seconds West for a distance of 217.29 feet .

THENCE North 41 degrees 33 minutes 15 seconds West for a distance of 482.95 feet .

THENCE North 59 degrees 46 minutes 06 seconds West for a distance of 607.28 feet .

THENCE North 82 degrees 32 minutes 31 seconds West for a distance of 487.60 feet .

THENCE South 57 degrees 51 minutes 49 seconds West for a distance of 336.76 feet .

THENCE South 33 degrees 47 minutes 16 seconds West for a distance of 285.63 feet .

THENCE South 55 degrees 03 minutes 03 seconds East for a distance of 163.91 feet .

THENCE South 79 degrees 43 minutes 57 seconds East for a distance of 606.48 feet .

THENCE South 53 degrees 06 minutes 10 seconds East for a distance of 288.60 feet .

THENCE South 25 degrees 07 minutes 49 seconds East for a distance of 272.01 feet .

THENCE South 02 degrees 44 minutes 08 seconds West for a distance of 185.05 feet .

THENCE South 48 degrees 02 minutes 04 seconds West for a distance of 792.50 feet .

THENCE South 86 degrees 23 minutes 10 seconds West for a distance of 425.36 feet .

THENCE South 63 degrees 29 minutes 45 seconds West for a distance of 405.07 feet to a point on or near the apparent east boundary line of the S.W. Pipkin Survey, A-830; same being the west boundary of the hereinabove described State Tract 2-G of Taylor Bayou and the most southwesterly corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, across said Taylor Bayou, a distance of 150.84 feet to a point on the north or northwesterly cut-bank of said bayou; and continuing in a northeasterly direction down the apparent original boundary of said bayou, along the following meanders:

THENCE North 60 degrees 50 minutes 03 seconds East for a distance of 216.61 feet .

THENCE North 36 degrees 18 minutes 14 seconds West for a distance of 349.83 feet .

THENCE North 15 degrees 12 minutes 19 seconds East for a distance of 169.61 feet .

THENCE North 72 degrees 51 minutes 54 seconds East for a distance of 130.75 feet .

THENCE South 62 degrees 22 minutes 01 seconds East for a distance of 147.89 feet .

THENCE South 35 degrees 18 minutes 45 seconds East for a distance of 289.89 feet .

THENCE South 70 degrees 27 minutes 21 seconds West for a distance of 78.31 feet .

THENCE North 54 degrees 20 minutes 19 seconds West for a distance of 61.96 feet .

THENCE South 07 degrees 31 minutes 57 seconds East for a distance of 125.71 feet .

THENCE North 81 degrees 47 minutes 34 seconds East for a distance of 557.73 feet .

THENCE North 48 degrees 02 minutes 04 seconds East for a distance of 465.02 feet .

THENCE North 17 degrees 42 minutes 58 seconds East for a distance of 234.25 feet .

THENCE North 39 degrees 58 minutes 04 seconds West for a distance of 391.66 feet .

THENCE North 77 degrees 11 minutes 08 seconds West for a distance of 330.95 feet .

THENCE South 85 degrees 49 minutes 20 seconds West for a distance of 450.14 feet .

THENCE North 48 degrees 40 minutes 27 seconds West for a distance of 230.43 feet .

THENCE North 33 degrees 41 minutes 51 seconds East for a distance of 504.18 feet .

THENCE North 53 degrees 15 minutes 45 seconds East for a distance of 83.87 feet to a point for the apparent upper west corner of the hereinabove described Tract 4;

THENCE: Leaving said bayou, and following the apparent northwest boundary of said Tract 4 along the following courses:

THENCE North 40 degrees 42 minutes 47 seconds East for a distance of 233.07 feet .

THENCE North 86 degrees 12 minutes 47 seconds East for a distance of 972.22 feet .

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 295.50 feet to an iron rod found on line;

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 593.50 feet .

THENCE North 37 degrees 45 minutes 00 seconds East for a distance of 750.00 feet .

THENCE North 51 degrees 42 minutes 47 seconds East for a distance of 1111.11 feet .

THENCE North 03 degrees 47 minutes 13 seconds West for a distance of 1361.11 feet .

THENCE North 30 degrees 42 minutes 47 seconds East for a distance of 1388.89 feet to a point for the apparent north corner of said Tract 4;

THENCE South 56 degrees 48 minutes 20 seconds East, crossing said Taylor Bayou, for a distance of 222.79 feet to a point on the east or southeast cut-bank of said bayou; and continuing with said cut-bank in a southerly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 32 degrees 36 minutes 12 seconds East for a distance of 436.69 feet .

THENCE South 47 degrees 02 minutes 56 seconds East for a distance of 599.00 feet .

THENCE South 13 degrees 07 minutes 53 seconds East for a distance of 433.97 feet .

THENCE South 78 degrees 44 minutes 06 seconds West for a distance of 417.66 feet .

THENCE North 77 degrees 40 minutes 14 seconds West for a distance of 484.54 feet .

THENCE South 77 degrees 38 minutes 20 seconds West for a distance of 211.37 feet .

THENCE South 60 degrees 20 minutes 28 seconds West for a distance of 287.98 feet .

THENCE South 11 degrees 29 minutes 32 seconds West for a distance of 269.70 feet .

THENCE South 33 degrees 09 minutes 22 seconds East for a distance of 170.83 feet .

THENCE South 59 degrees 04 minutes 26 seconds East for a distance of 1093.15 feet .

THENCE South 33 degrees 08 minutes 34 seconds East for a distance of 283.41 feet .

THENCE South 08 degrees 03 minutes 06 seconds East for a distance of 274.61 feet to a point on or near the apparent east line of the W.B. Burton Survey, A-8; said line also being the apparent west boundary of the Bennett Blackman Survey, A-2; said point being the northwest corner of the hereinabove described Tract 2;

THENCE North 87 degrees 32 minutes 29 seconds East for a distance of 1320.00 feet to the northeast corner of said Tract 2;

THENCE South 02 degrees 27 minutes 31 seconds East for a distance of 1320.00 feet to a point for the southeast corner of said Tract 2;

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1320.00 feet to a point in the east boundary of said Tract 1, same being the apparent common line between said W.B. Burton Survey and said Bennett Blackman Survey;

THENCE South 02 degrees 27 minutes 31 seconds East, with the apparent east boundary of said Tract 1, for a distance of 2740.96 feet to the apparent southeast corner of said Tract 1;

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1224.26 feet TO PLACE OF BEGINNING, Containing 319.83 acres, more or less.

All Bearings shown hereon are Texas Lambert Grid Bearings, NAD-27, South Central Zone. All Distances are Geodetic.

The foregoing Fieldnote Description, and accompanying plat, have been prepared from an actual survey made on the ground during the months of July and August, 1999, and are true and correct to the best of my knowledge and belief, this 29th day of September, 1999.

FORD ENGINEERING FIRM



DuWard Gail Ford
Reg. Professional Land Surveyor, #348
September 29, 1999

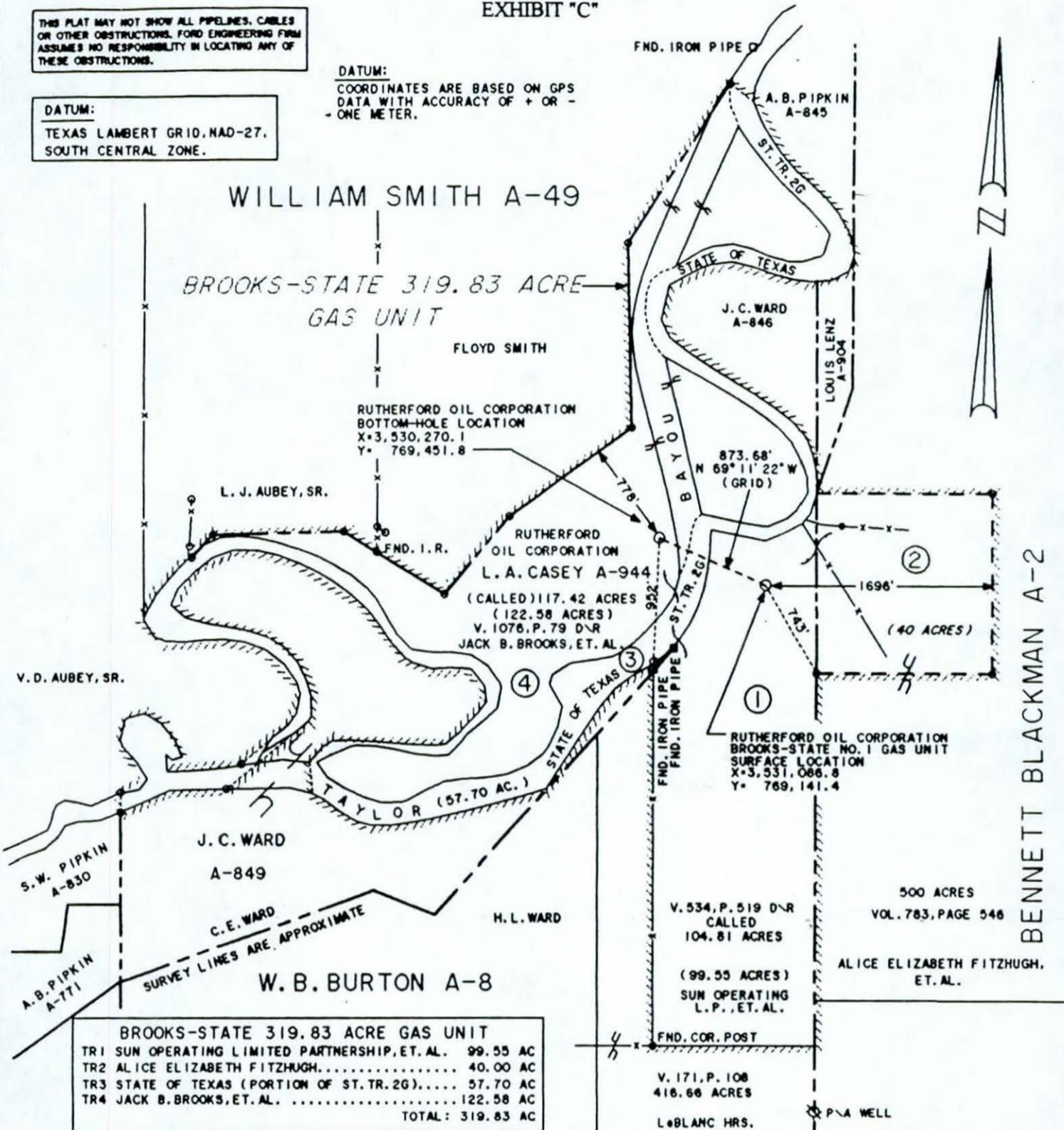
DGF:sas
Attachment

EXHIBIT "C"

THIS PLAT MAY NOT SHOW ALL PIPELINES, CABLES OR OTHER OBSTRUCTIONS. FORD ENGINEERING FIRM ASSUMES NO RESPONSIBILITY IN LOCATING ANY OF THESE OBSTRUCTIONS.

DATUM:
TEXAS LAMBERT GRID, NAD-27,
SOUTH CENTRAL ZONE.

DATUM:
COORDINATES ARE BASED ON GPS
DATA WITH ACCURACY OF + OR -
ONE METER.



WILLIAM SMITH A-49
BROOKS-STATE 319.83 ACRE
GAS UNIT

FLOYD SMITH
RUTHERFORD OIL CORPORATION
BOTTOM-HOLE LOCATION
X=3,530,270.1
Y= 769,451.8
L. J. AUBEY, SR.
RUTHERFORD OIL CORPORATION
L. A. CASEY A-944
(CALLED) 117.42 ACRES
(122.58 ACRES)
V. 1076, P. 79 D-R
JACK B. BROOKS, ET. AL.

J. C. WARD A-849
C. E. WARD
SURVEY LINES ARE APPROXIMATE
W. B. BURTON A-8
H. L. WARD

BROOKS-STATE 319.83 ACRE GAS UNIT	
TR1	SUN OPERATING LIMITED PARTNERSHIP, ET. AL. 99.55 AC
TR2	ALICE ELIZABETH FITZHUGH..... 40.00 AC
TR3	STATE OF TEXAS (PORTION OF ST. TR. 2G)..... 57.70 AC
TR4	JACK B. BROOKS, ET. AL. 122.58 AC
TOTAL: 319.83 AC	

★ SEE ACCOMPANYING DESCRIPTION FOR METES & BOUNDS ON BROOKS-STATE 319.83 ACRE GAS UNIT.

THE ABOVE PLAT AND ACCOMPANYING DESCRIPTION WERE PREPARED FROM AN ACTUAL SURVEY AND RECORDED INFORMATION. THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS 28TH DAY OF SEPTEMBER, 1999.

FORD ENGINEERING FIRM
CIVIL ENGINEERS AND SURVEYORS

BY *Duward Gail Ford*
DUWARD GAIL FORD
REG. PROFESSIONAL LAND SURVEYOR OF TEXAS NO. 348

RUTHERFORD OIL CORPORATION	
BROOKS-STATE 319.83 ACRE GAS UNIT	
VARIOUS SURVEYS JEFFERSON COUNTY, TEXAS	
FORD ENGINEERING FIRM • VICTORIA, TEXAS • 361-573-3249	
SCALE: 1" = 1000'	DATE: 9-28-99
JEFF. 99-5	
DRAWN BY: JRG CHECKED BY: DVH	

BENNETT BLACKMAN A-2

EXHIBIT D

Definition of Terms

As set forth in the attached Assignment of Overriding Royalty Interest, Brooks-State Unit No. 1 (Wellbore Only), the following terms shall have the meanings as set forth below:

The "Well" shall mean that certain wellbore currently operated by Rutherford Oil Corporation, the surface location of which is located at x coordinate 3,531,087 and y coordinate 769,141 and the bottomhole location of which is located at x coordinate 3,530,378.6 and y coordinate 769,413.3 (Texas Lambert Grid, NAD-27, South Central Zone), Jefferson County, Texas and which wellbore has been assigned API No. 45-245-32225.

(7)

File No. MF 100526

Memo to School Land Board &
Amendment of Pooling Agreement

Date Filed: 3-16-2000

By David Dewhurst, Commissioner

CA

**AMENDMENT OF POOLING AGREEMENT
RUTHERFORD OIL CORPORATION
BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS**

8
2302
XCC

This Agreement is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Rutherford Oil Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "Parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

WHEREAS, pursuant to approval of the School Land Board on September 21, 1999, a Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit, Jefferson County, Texas, has previously been executed by the Parties and said Pooling Agreement has been recorded as Document No. 1999041175 of the Official Records of Jefferson County, Texas; and



WHEREAS, the Rutherford Oil Corporation Brooks-State Unit referenced above comprises 319.83 acres of land consisting of four separate tracts in Jefferson County, Texas, more particularly described in said Pooling Agreement; and

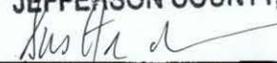
WHEREAS, subsequent to the execution of said Pooling Agreement, it has been determined that the State of Texas owns a free royalty interest beneath Tract 4 as described on Exhibit "B" to the Pooling Agreement, which free royalty interest was not

255058

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY  DEPUTY
SUSAN HENDERSON

18w

brought to the attention of the School Land Board at the September 21, 1999, School Land Board meeting at which approval was given to pooling the State's royalty in Unit Tract 3 as described on Exhibit "B" to the Pooling Agreement; and

WHEREAS, a mineral file number has now been assigned to the leases within the unit covering the State's free royalty interest in Unit Tract 4, said mineral file being M-100792; and

WHEREAS, on January 11, 2000, the School Land Board considered the application of Rutherford Oil Corporation to amend the Brooks-State Unit to specifically include authorization to pool the State's free royalty interest in Unit Tract 4, M-100792;

NOW, THEREFORE, the Parties hereto agree to amend the Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit effective as of the date of first production from such unit, so as to pool the State's free royalty interest in Unit Tract 4 (Mineral File No. M-100792) on the same terms and conditions as set forth in the Pooling Agreement referenced above and this free royalty interest is hereby included in the unit.

The Parties hereto further amend the Pooling Agreement by stipulating that on Exhibit "A" to said Pooling Agreement, Lease Nos. 4 through 16 all cover undivided mineral interests in Unit Tract 4 which have been leased by the executive rights owners of that tract, as Lessor, and all of such leases cover a portion of the State's free royalty interest in Tract 4 and such leases have been collectively assigned Mineral File No. M-100792 by the Texas General Land Office.

Dated this 3RD day of FEBRUARY, 2000.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Su Hed DEPUTY
SUSAN HENDERSON

Date Executed 3-14-2000

STATE OF TEXAS

Legal MRA
Content [Signature]
Geology [Signature]
General Counsel [Signature]
Execution [Signature]

By [Signature]
David Dewhurst, Commissioner
of the General Land Office



Date Executed FEBRUARY 3, 2000

RUTHERFORD OIL CORPORATION

By [Signature]
Mike G. Rutherford
Its PRESIDENT

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 3, 2000, by Mike G. Rutherford as President of RUTHERFORD OIL CORPORATION, a Texas corporation, on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas
Commission expires: 9-30-2001

Date Executed February 10, 2000

IP PETROLEUM COMPANY, INC.

By [Signature]
Stephen M. Guidry
Its Vice President

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

BANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

By [Signature] DEPUTY
SUSAN HENDERSON

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 10, 2000, 2000, by Stephen M. Quady as Vice President of IP PETROLEUM COMPANY, INC., a Delaware corporation, on behalf of said corporation.



Tina C. McCoy
Notary Public in and for the State of Texas
Commission expires: 9-15-01

Date Executed FEBRUARY 3, 2000

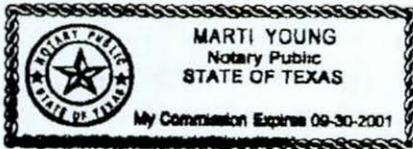
MICHAEL G. RUTHERFORD

Michael G. Rutherford
Mike G. Rutherford

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on February 3, 2000 by MICHAEL G RUTHERFORD.

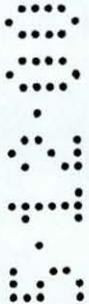


Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-2001

Date Executed FEBRUARY 3, 2000

PATRICK R. RUTHERFORD, JR.

Patrick R. Rutherford, Jr.
Patrick R. Rutherford, Jr.



I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY S. Henderson DEPUTY
SUSAN HENDERSON

STATE OF TEXAS

COUNTY OF Thuris

This instrument was acknowledged before me on February 3, 2000 by PATRICK R. RUTHERFORD, JR.



Marti Young
Notary Public in and for the State of Texas
Commission expires: 9-30-2001

Date Executed 2-12-00

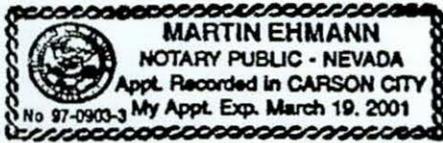
BARBARA K. ALEXANDER

Barbara K. Alexander
Barbara K. Alexander

STATE OF NEVADA

COUNTY OF CARSON CITY

This instrument was acknowledged before me on 12 FEB 2000 by BARBARA K. ALEXANDER.



Martin Ehmann
Notary Public in and for the State of ~~Texas~~ NEVADA
Commission expires: 19 MAR 2001

Date Executed 2-12-00

THE BARBARA K. ALEXANDER 1983 TRUST

By Barbara K. Alexander
Barbara K. Alexander, Trustee
Its Trustee

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office
APR 26 2000

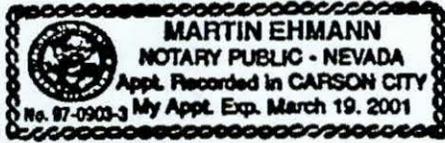
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Susan Henderson DEPUTY
SUSAN HENDERSON

STATE OF NEVADA

COUNTY OF CARSON CITY

This instrument was acknowledged before me on the 14th day of February, 2000, by BARBARA K. ALEXANDER, the TRUSTEE of THE BARBARA K. ALEXANDER 1983 TRUST, & _____, on behalf of said TRUST.



[Signature]
Notary Public in and for the State of ~~Texas~~ NEVADA
Commission expires: 19 MARCH 2001 bka

Date Executed February 11, 2000

GDM RESOURCES, LTD.

By [Signature]
Gary L. Renning
Its Senior (Vice) President

STATE OF CALIFORNIA

COUNTY OF Kern

This instrument was acknowledged before me on the 11th day of February, 2000, by Gary L. Renning the Senior Vice Pres of GDM RESOURCES, LTD., a Nevada limited partnership, on behalf of said limited partnership.



[Signature]
Notary Public in and for the State of ~~Texas~~ CALIFORNIA
Commission expires: 01/14/2004

Date Executed February 11, 2000

FERGUSON RESOURCES 1998

By [Signature]
Gary L. Renning
Its Senior Vice President

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

6
APR 26 2000
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS
BY [Signature] DEPUTY
SUSAN HENDERSON

STATE OF CALIFORNIA

COUNTY OF KERN

This instrument was acknowledged before me on February 11, 2000, by Garyl Ronning as Senior Vice President of FERGUSON RESOURCES 1998, a General Partnership corporation, on behalf of said corporation.



Karen K. Priddy
Notary Public in and for the State of ~~Texas~~ California
Commission expires. 01/14/2004

Date Executed 2-29-00

GRABLE BOSWORTH RONNING

Grable Bosworth Ronning
Grable Bosworth Ronning

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on Feb. 29, 2000 by GRABLE BOSWORTH RONNING.



Linda Noxon
Notary Public in and for the State of Texas
Commission expires: 5/1/02

Date Executed 2-29-00

THE GRABLE BOSWORTH RONNING
1983 TRUST

By Grable Bosworth Ronning, the
Grable Bosworth Ronning, Trustee
Its TRUSTEE

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Susan Henderson DEPUTY
SUSAN HENDERSON

7

STATE OF NEVADA

COUNTY OF Washoe

This instrument was acknowledged before me on the 29th day of Feb., 2000, by GRABLE BOSWORTH RONNING, the TRUSTEE of THE GRABLE BOSWORTH RONNING 1983 TRUST, a _____, on behalf of said TRUST.

Linda Noxon

Notary Public in and for the State of ~~Texas~~ Nevada
Commission expires: 5/1/02



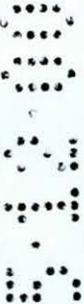
LINDA NOXON
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No. 94-0984-2 - Expires May 1, 2002

DD/ch

FILED AND RECORDED

Sandy Walker

2000 MAR 28 09:00 AM 2000011424
SANDY WALKER
COUNTY CLERK
JEFFERSON COUNTY, TEXAS



Tel: Rutherford Oil Corp.
5 East Greenway Plaza
Suite 220
Houston Tx 77046

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Susan Henderson* DEPUTY
SUSAN HENDERSON

8

File No. M-100526
Recorded copy of Amended
Pooling Agreement
Date Filed: 5/16/2000

By David Dewhurst, Commissioner
Daryl Morgan



2700

RUTHERFORD OIL CORPORATION

5 EAST GREENWAY PLAZA, SUITE 220

HOUSTON, TEXAS 77046

TEL: (713) 622-5555

FAX: (713) 621-7072

May 9, 2000

Mr. Jim Baumgardner
Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, TX 78701-1495

Reference: Assignment of Overriding Royalty Interest
Brooks-State Unit Well No. 1
(Wellbore Only)
Taylor's Bayou Prospect
Jefferson County, Texas

Dear Mr. Baumgardner:

Enclosed is Rutherford Oil Corporation's check number 48804 in the amount of \$25.00 to cover the filing fee for referenced assignment.

Also enclosed for your files is a certified copy of the Amendment of Pooling Agreement for the Brooks-State Unit.

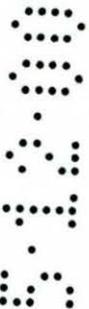
If we can be of further assistance, please call.

Very truly yours,

RUTHERFORD OIL CORPORATION

Marti J. Drummond

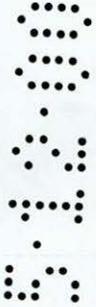
Marti J. Drummond
Land Department



RECEIVED
00 MAY 12 PM 2:34
LAND DEPARTMENT
mjd
Enclosures

Vendor	Invoice	Invoice Date	Voucher	Reference Comments	Gross	Discount	Net
200765	50500	5/5/00	40311		25.00	0.00	25.00
							<u>25.00</u>

Rutherford Oil Corp.
129



00 48126

9

File No. M-100526
Ltr. from Rutherford

Date Filed: 5/16/2000

By David Dewhurst, Commissioner
Dewhurst

2000.05.16

Assignee: State of Texas, by and through the Commissioner of
the General Land Office
1700 North Congress Avenue
Austin, Texas 78701

Date Executed: FEBRUARY 3, 2000

Effective Date: FEBRUARY 3, 2000

Assignors, named above, are vested with title to the leasehold estate created by the oil and gas leases (the "Leases") as described in Exhibit "A" attached to this Assignment and incorporated by reference for all purposes which leases or portions thereof comprise the Rutherford Oil Corporation Brooks-State Unit, more fully described on Exhibit "B" and depicted on the plat labeled Exhibit "C" both of which are attached hereto and incorporated by reference for all purposes. Assignors desire to assign to Assignee, named above, an overriding royalty interest in the Leases, limited to the production from Assignors' Brooks-State Unit No. 1 Well ("Well"). The Well is more fully defined and described on Exhibit "D" attached hereto and incorporated herein by reference herein for all purposes.

For valuable consideration, Assignors transfer, assign and convey to Assignee, in the proportions that the leasehold estate owned by each of the Assignors named above bears to the total undivided leasehold estate of all Assignors, (which proportions are set forth on the signature pages for each Assignor) an overriding royalty interest of 1.92729% (0.0192729) of 8/8ths of all of the oil, gas and associated hydrocarbons produced, saved, and marketed from the Leases INsofar AND ONLY INsofar as the Leases cover all of Assignor's rights in and to oil, gas, casinghead gas, distillate and/or condensate that may be produced from the Well (the "Override"). Assignors expressly reserve all rights in the Leases and the Well other than those specifically conveyed herein.

This Assignment by Assignors is subject to the following:

1. The Override is subject to all applicable laws, rules, regulations and orders of appropriate governmental authorities.
2. The Override is assigned free and clear of all drilling, testing, equipping, completing and operating costs and expenses and without deduction for the cost of producing, transporting and otherwise making the oil, gas and other products attributable to the Override ready for sale or use. However, the payment of proceeds attributable to the Override shall not be reduced for severance or property taxes of any kind pursuant to the Constitution of the State of Texas, Art. VII, Section 5, and the Texas Tax Code, Section 11.11(a).
3. All payments to the Override shall be made or delivered to Assignee in the same manner as payment of royalty to the lessors under the Leases.
4. No obligations, express or implied, shall arise by reason of the conveyance of the Override which shall obligate Assignors to maintain the Leases either by payment of delay rentals, compensatory royalty or other payments, or by the drilling of any wells. Assignee is to receive the Override from

2

255024

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY

Susan Henderson
SUSAN HENDERSON

DEPUTY

production of oil, gas and associated hydrocarbons from the Well when produced and saved at the Well under the terms of the Leases.

5. The Override shall apply not only to the Leases but also to any renewals or extensions thereof which may be obtained by any of the Assignors, or their respective successors and assigns, within six (6) months after the respective expiration of the prior Lease which has been renewed or extended, but INsofar AND ONLY INsofar as such renewals or extensions relate to the Well Assignors shall further provide notice to Assignee as to when the last surviving Lease has terminated, such notice to be given within thirty (30) days of Assignors' determination that such surviving lease has terminated.

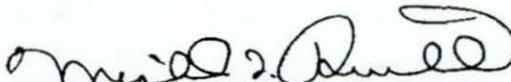
Assignors represent that the overriding royalty interest is conveyed free and clear of all liens and encumbrances. Assignors have full right, power and authority to assign the Override to Assignee. Assignors assign the Override to Assignee with a special warranty of title.

The terms and provisions of this Assignment shall inure to the benefit of Assignors and Assignee and to their heirs, legal representatives, successors and/or assigns.

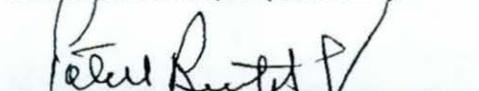
This Assignment may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties actually joined in and executed one and the same document. For recording purposes, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Assignment so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

ASSIGNORS:

Michael G. Rutherford (.36000000)


Michael G. Rutherford

Patrick Rutherford, Jr. (.36000000)


Patrick Rutherford, Jr.

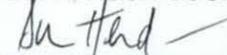
IP Petroleum Company, Inc. (.25000000)

By:  
is: Stephen M. Gaudry
Vice President

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY  DEPUTY
SUSAN HENDERSON

Ferguson Resources 1998 (.01350000)

By: [Signature]
Its: Senior Vice President
Gary L. Ronning

GDM Resources, Ltd. (00300000)

By: [Signature]
Its: Senior Vice President
Gary L. Ronning

Grable Bosworth Ronning (.00459000)

Grable Bosworth Ronning
Grable Bosworth Ronning

The Grable Bosworth Ronning 1983 Trust (.00216000)

By: Grable Bosworth Ronning, et al
Its: TRUSTEE
Grable Bosworth Ronning, Trustee

Barbara K. Alexander (.00459000)

Barbara K. Alexander
Barbara K. Alexander

The Barbara K. Alexander 1983 Trust (.00216000)

By: Barbara K. Alexander
Its: Trustee
Barbara K. Alexander, Trustee



255024

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office
APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

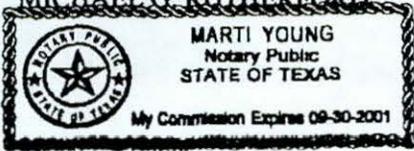
BY [Signature] DEPUTY
SUSAN HENDERSON

STATE OF TEXAS

COUNTY OF Harris

§
§
§

This instrument was acknowledged before me on the 3rd day of February, 2000, by MICHAEL G. RUTHERFORD



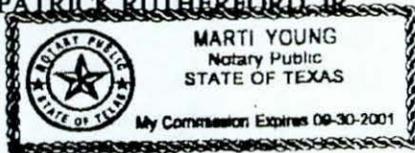
Marti Young
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF Harris

§
§
§

This instrument was acknowledged before me on the 3rd day of February, 2000, by PATRICK RUTHERFORD, JR.



Marti Young
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF Harris

§
§
§

Steven M. Guay This instrument was acknowledged before me on the 10th day of February, 2000, by the Vice President of IP PETROLEUM COMPANY, INC., a Delaware corporation, on behalf of said corporation.



Tina C. McCoy
Notary Public in and for the State of Texas

STATE OF CALIFORNIA

COUNTY OF Kern

§
§
§

This instrument was acknowledged before me on the 11th day of February, 2000, by GARL ROWNING, the SR. Vice Pres. FERGUSON RESOURCES 1998, a limited GENERAL corporation, on behalf of said corporation. Partnership



Karen K. Priddy
Notary Public in and for the State of California
5 Commission Expires: 01/14/2004

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

Susan Henderson
DEPUTY
SUSAN HENDERSON

STATE OF CALIFORNIA §
COUNTY OF BERN §

This instrument was acknowledged before me on the 11th day of February, 2000, by GARY L. RONNING The SE. Vice Pres GDM RESOURCES, LTD., a NEVADA limited partnership, on behalf of said limited partnership.



Karen K. Priddy
Notary Public in and for the State of California
Commission Exp. Res: 01/14/2004

STATE OF NEVADA §
COUNTY OF Washoe §

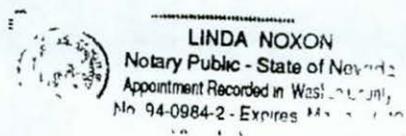
This instrument was acknowledged before me on the 29th day of Feb., 2000, by GRABLE BOSWORTH RONNING.



Linda Noxon
Notary Public in and for the State of Nevada

STATE OF NEVADA §
COUNTY OF Washoe §

This instrument was acknowledged before me on the 29th day of Feb., 2000, by GRABLE BOSWORTH RONNING, the TRUSTEE OF THE GRABLE BOSWORTH RONNING 1983 TRUST, a _____, on behalf of said TRUST.



Linda Noxon
Notary Public in and for the State of Nevada

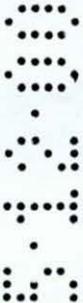
I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office
APR 26 2000
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS
BY Susan Henderson DEPUTY
SUSAN HENDERSON

EXHIBIT D

Definition of Terms

As set forth in the attached Assignment of Overriding Royalty Interest, Brooks-State Unit No. 1 (Wellbore Only), the following terms shall have the meanings as set forth below:

The "Well" shall mean that certain wellbore currently operated by Rutherford Oil Corporation, the surface location of which is located 376 feet FEL and 329 feet FNL of the W B BURTON A-8 Survey, Jefferson County and the bottomhole location of which is located 900 feet FNWL and 50 feet FEL of the L A CASEY A-944 Survey, Jefferson County, Texas and which wellbore has been assigned API No. 42-245-32225.



255024

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office
APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Susan Henderson DEPUTY
SUSAN HENDERSON

EXHIBIT "A" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Oil and gas leases covering certain lands included in the Brooks-State Unit, Jefferson
County, Texas:

1. That certain Oil, Gas & Mineral Lease dated April 6, 1999, by and between David Dewhurst, Commissioner of the General Land Office of the State of Texas, as Lessor and Dillon J. Ferguson, as Lessee, recorded as document #1999021662 of the Official Records of Jefferson County, Texas, covering approximately 145 acres in Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

2. That certain Oil, Gas & Mineral Lease dated March 17, 1997, by and between Alice Elizabeth Fitzhugh, a widow and feme sole, and John Peregrine Fitzhugh, as Lessor, and Cabot Oil & Gas Corporation, as Lessee, recorded as document #97-9717211 of the Official Records of Jefferson County, Texas, covering 500 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

3. That certain Oil, Gas & Mineral Lease dated April 21, 1999, by and between Sun Operating Limited Partnership, acting by and through Kerr-McGee Corporation, its managing general partner, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for such lease is recorded as document #1999019685 of the Official Records of Jefferson County, Texas, covering 104.81 acres, more or less, Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

4. That certain Oil, Gas & Mineral Lease dated November 13, 1998, by and between Jack B. Brooks, as Lessor, and Rutherford Oil Corporation, as Lessee, a Memorandum of Oil, Gas & Mineral Lease for said lease is recorded as document #1999014026, Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said Memorandum of Oil, Gas & Mineral Lease, INSO FAR AND ONLY INSO FAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

BANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Susan Henderson* DEPUTY
SUSAN HENDERSON

5. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between David J. Stewart, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014027 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, in Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

6. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between R. Scott Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014028, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

7. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Kristen G. Slyman, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014029 of the Official Records of Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included in the Brooks-State Unit as described in Exhibit "B" attached hereto.

8. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Roberta Susan Morrow, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014030, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

9. That certain Oil, Gas & Mineral Lease dated December 16, 1998, by and between Robert F. Garland, III, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014031, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

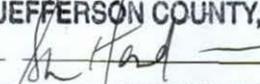
10. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Robert F. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014032, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INSOFAR AND ONLY INSOFAR as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

11. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Paula D. Corey, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded

2 I CERTIFY THIS IS A TRUE COPY
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SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY  DEPUTY
SUSAN HENDERSON

as document #1999014033, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

12. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Jeffrey M. Garland, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014034, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

13. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Sandra Lee Swicki, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014035, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

14. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Bertha Renee Newell, as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014038, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

15. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Daniel P. Garland, Jr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014037, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

16. That certain Oil, Gas & Mineral Lease dated December 3, 1998, by and between Dan P. Garland, Sue Nell Garland, Attorney-in-Fact for Dan P. Garland, Sr., as Lessor, and Rutherford Oil Corporation, as Lessee, recorded as document #1999014036, Official Records, Jefferson County, Texas, covering 117.42 acres, more or less, Jefferson County, Texas, as described more fully in said lease, INsofar AND ONLY INsofar as said lease covers the lands included within the Brooks-State Unit as described in Exhibit "B" attached hereto.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Susan Henderson DEPUTY
SUSAN HENDERSON

EXHIBIT "B" ATTACHED TO AND MADE A PART OF THAT
CERTAIN POOLING AGREEMENT FOR THE BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS

Legal Description of the Brooks-State Unit, Jefferson County, Texas (the "Unit"):

RUTHERFORD OIL CORPORATION
Brooks-State 319.83 Acre Gas Unit

W B. Burton Survey, A-8
Bennett Blackman Survey, A-2
L. A. Casey Survey, A-944
Taylor Bayou, State Tract 2-G
Jefferson County, Texas

THE STATE OF TEXAS
COUNTY OF JEFFERSON

PROPERTY DESCRIPTION: Being 319.83 acres, more or less, out of the W.B. Burton Survey, A-8; the Bennett Blackman Survey, A-2; the L.A. Casey Survey, A-944; and Taylor Bayou, State Tract 2-G, Jefferson County, Texas; said 319.83 acres, more or less, also being all or part of the following tracts:

- TRACT 1: 99.55 acres, more or less, being all of that certain tract of land (called 104.81 acres) described in Deed from Union Bank & Trust Company to J.E. Dycus, dated July 24, 1943, recorded in Volume 534, at page 519 of the Deed Records of Jefferson County, Texas;
- TRACT 2: 40.0 acres, more or less, being part of that certain 500.0 acre tract described as "First Tract" in that certain Decree dated September 11, 1950, in the District Court of Jefferson County, Texas, 58th Judicial District, styled Mary E. Fitzhugh, et al. vs. Erwin J. LeBlanc, et al., Cause No. 63694, a certified copy of which said Decree is recorded in Volume 783 at page 546 of the Deed Records of Jefferson County, Texas;
- TRACT 3: 57.70 acres, more or less, being part of that certain State Tract 2-G in Taylor Bayou as described in Mineral Lease No. M-100526 dated April 6, 1999 from the State of Texas to Dillon J. Ferguson and recorded in File No. 1999021662 of the Jefferson County Public Records of Real Property;
- TRACT 4: 122.58 acres, more or less, being all of that certain tract (called 117.42 acres) granted to L.A. Casey by The State of Texas, dated July 18, 1957 and being of record in Volume 1076 at page 79 of the Deed Records of Jefferson County, Texas.

Said 319.83 acres, more or less, being further described by metes and bounds as follows to-wit:

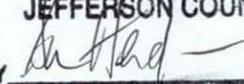
BEGINNING at a corner post (X = 3,530,384.8 and Y = 765,726.3, NAD-27, Texas South Central Zone) found at the southwest corner of the hereinabove described Tract 1 for the most southerly southwest corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, with the west boundary of said Tract 1 as marked by line of fence, at 2766.15 feet pass a 2-inch iron pipe found, and continuing a total distance of 2776.54 feet to a point on the cut-bank of the hereinabove described Taylor Bayou (Tract 3) for an interior corner of this unit,

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APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY  DEPUTY
SUSAN HENDERSON

THENCE: with the cut-bank of said Taylor Bayou in a southwesterly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 59 degrees 35 minutes 37 seconds West for a distance of 316.89 feet .

THENCE South 38 degrees 19 minutes 18 seconds West for a distance of 200.44 feet .

THENCE South 30 degrees 37 minutes 11 seconds West for a distance of 708.97 feet .

THENCE South 73 degrees 37 minutes 43 seconds West for a distance of 1033.02 feet .

THENCE South 87 degrees 55 minutes 06 seconds West for a distance of 401.17 feet .

THENCE North 60 degrees 43 minutes 55 seconds West for a distance of 399.45 feet

THENCE North 07 degrees 31 minutes 07 seconds West for a distance of 236.41 feet;

THENCE North 44 degrees 39 minutes 36 seconds East for a distance of 234.54 feet .

THENCE North 87 degrees 15 minutes 27 seconds East for a distance of 178.08 feet .

THENCE North 89 degrees 57 minutes 06 seconds East for a distance of 669.11 feet .

THENCE North 46 degrees 32 minutes 12 seconds East for a distance of 178.91 feet .

THENCE North 38 degrees 58 minutes 05 seconds East for a distance of 256.80 feet .

THENCE North 07 degrees 51 minutes 15 seconds West for a distance of 112.37 feet .

THENCE North 43 degrees 34 minutes 45 seconds West for a distance of 174.99 feet .

THENCE South 87 degrees 23 minutes 08 seconds West for a distance of 278.77 feet .

THENCE North 70 degrees 24 minutes 40 seconds West for a distance of 217.29 feet .

THENCE North 41 degrees 33 minutes 15 seconds West for a distance of 482.95 feet .

THENCE North 59 degrees 46 minutes 06 seconds West for a distance of 607.28 feet .

THENCE North 82 degrees 32 minutes 31 seconds West for a distance of 487.60 feet .

THENCE South 57 degrees 51 minutes 49 seconds West for a distance of 336.76 feet

THENCE South 33 degrees 47 minutes 16 seconds West for a distance of 285.63 feet .

THENCE South 55 degrees 03 minutes 03 seconds East for a distance of 163.91 feet .

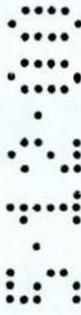
THENCE South 79 degrees 43 minutes 57 seconds East for a distance of 606.48 feet .

THENCE South 53 degrees 06 minutes 10 seconds East for a distance of 288.60 feet .

THENCE South 25 degrees 07 minutes 49 seconds East for a distance of 272.01 feet

THENCE South 02 degrees 44 minutes 08 seconds West for a distance of 185.05 feet .

THENCE South 48 degrees 02 minutes 04 seconds West for a distance of 792.50 feet



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SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Su Had - DEPUTY
SUSAN HENDERSON

THENCE South 86 degrees 23 minutes 10 seconds West for a distance of 425.36 feet .

THENCE South 63 degrees 29 minutes 45 seconds West for a distance of 405.07 feet to a point on or near the apparent east boundary line of the S.W. Pipkin Survey, A-830, same being the west boundary of the hereinabove described State Tract 2-G of Taylor Bayou and the most southwesterly corner of this unit;

THENCE: North 02 degrees 27 minutes 31 seconds West, across said Taylor Bayou, a distance of 150.84 feet to a point on the north or northwesterly cut-bank of said bayou; and continuing in a northeasterly direction down the apparent original boundary of said bayou, along the following meanders:

THENCE North 60 degrees 50 minutes 03 seconds East for a distance of 216.61 feet .

THENCE North 36 degrees 18 minutes 14 seconds West for a distance of 349.83 feet .

THENCE North 15 degrees 12 minutes 19 seconds East for a distance of 169.61 feet .

THENCE North 72 degrees 51 minutes 54 seconds East for a distance of 130.75 feet .

THENCE South 62 degrees 22 minutes 01 seconds East for a distance of 147.89 feet .

THENCE South 35 degrees 18 minutes 45 seconds East for a distance of 289.89 feet .

THENCE South 70 degrees 27 minutes 21 seconds West for a distance of 78.31 feet .

THENCE North 54 degrees 20 minutes 19 seconds West for a distance of 61.96 feet .

THENCE South 07 degrees 31 minutes 57 seconds East for a distance of 125.71 feet .

THENCE North 81 degrees 47 minutes 34 seconds East for a distance of 557.73 feet .

THENCE North 48 degrees 02 minutes 04 seconds East for a distance of 465.02 feet .

THENCE North 17 degrees 42 minutes 58 seconds East for a distance of 234.25 feet .

THENCE North 39 degrees 58 minutes 04 seconds West for a distance of 391.66 feet .

THENCE North 77 degrees 11 minutes 08 seconds West for a distance of 330.95 feet .

THENCE South 85 degrees 49 minutes 20 seconds West for a distance of 450.14 feet .

THENCE North 48 degrees 40 minutes 27 seconds West for a distance of 230.43 feet .

THENCE North 33 degrees 41 minutes 51 seconds East for a distance of 504.18 feet .

THENCE North 53 degrees 15 minutes 45 seconds East for a distance of 83.87 feet to a point for the apparent upper west corner of the hereinabove described Tract 4;



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APR 26 2000

BANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Susan Henderson DEPUTY
SUSAN HENDERSON

THENCE: Leaving said bayou, and following the apparent northwest boundary of said Tract 4 along the following courses:

THENCE North 40 degrees 42 minutes 47 seconds East for a distance of 233.07 feet .

THENCE North 86 degrees 12 minutes 47 seconds East for a distance of 972.22 feet .

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 295.50 feet to an iron rod found on line;

THENCE South 60 degrees 47 minutes 13 seconds East for a distance of 593.50 feet .

THENCE North 37 degrees 45 minutes 00 seconds East for a distance of 750.00 feet .

THENCE North 51 degrees 42 minutes 47 seconds East for a distance of 1111.11 feet .

THENCE North 03 degrees 47 minutes 13 seconds West for a distance of 1361.11 feet .

THENCE North 30 degrees 42 minutes 47 seconds East for a distance of 1388.89 feet to a point for the apparent north corner of said Tract 4;

THENCE South 56 degrees 48 minutes 20 seconds East, crossing said Taylor Bayou, for a distance of 222.79 feet to a point on the east or southeast cut-bank of said bayou; and continuing with said cut-bank in a southerly direction up the apparent original boundary of said bayou, along the following meanders:

THENCE South 32 degrees 36 minutes 12 seconds East for a distance of 436.69 feet .

THENCE South 47 degrees 02 minutes 56 seconds East for a distance of 599.00 feet .

THENCE South 13 degrees 07 minutes 53 seconds East for a distance of 433.97 feet .

THENCE South 78 degrees 44 minutes 06 seconds West for a distance of 417.66 feet .

THENCE North 77 degrees 40 minutes 14 seconds West for a distance of 484.54 feet .

THENCE South 77 degrees 38 minutes 20 seconds West for a distance of 211.37 feet .

THENCE South 60 degrees 20 minutes 28 seconds West for a distance of 287.98 feet .

THENCE South 11 degrees 29 minutes 32 seconds West for a distance of 269.70 feet .

THENCE South 33 degrees 09 minutes 22 seconds East for a distance of 170.83 feet .

THENCE South 59 degrees 04 minutes 26 seconds East for a distance of 1093.15 feet .

THENCE South 33 degrees 08 minutes 34 seconds East for a distance of 283.41 feet .

THENCE South 08 degrees 03 minutes 06 seconds East for a distance of 274.61 feet to a point on or near the apparent eas. line of the W.B. Burton Survey, A-8; said line also being the apparent west boundary of the Bennett Blackman Survey, A-2, said point being the northwest corner of the hereinabove described Tract 2;

THENCE North 87 degrees 32 minutes 29 seconds East for a distance of 1320.00 feet to the northeast corner of said Tract 2;

THENCE South 02 degrees 27 minutes 31 seconds East for a distance of 1320.00 feet to a point for the southeast corner of said Tract 2;

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Witness my Hand and Seal of Office

APR 26 2000
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Su Kad DEPUTY
SUSAN HENDERSON

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1320.00 feet to a point in the east boundary of said Tract 1, same being the apparent common line between said W B Burton Survey and said Bennett Blackman Survey;

THENCE South 02 degrees 27 minutes 31 seconds East, with the apparent east boundary of said Tract 1, for a distance of 2740.96 feet to the apparent southeast corner of said Tract 1;

THENCE South 87 degrees 32 minutes 29 seconds West for a distance of 1224.26 feet TO PLACE OF BEGINNING, Containing 319.83 acres, more or less.

All Bearings shown hereon are Texas Lambert Grid Bearings, NAD-27, South Central Zone All Distances are Geodetic.

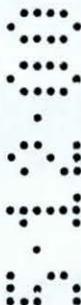
The foregoing Fieldnote Description, and accompanying plat, have been prepared from an actual survey made on the ground during the months of July and August, 1999, and are true and correct to the best of my knowledge and belief, this 29th day of September, 1999.

FORD ENGINEERING FIRM



DuWard Gail Ford
Reg. Professional Land Surveyor, #348
September 29, 1999

DGF:sas
Attachment



I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

BANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

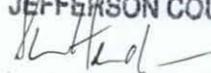
BY  DEPUTY
SUSAN HENDERSON

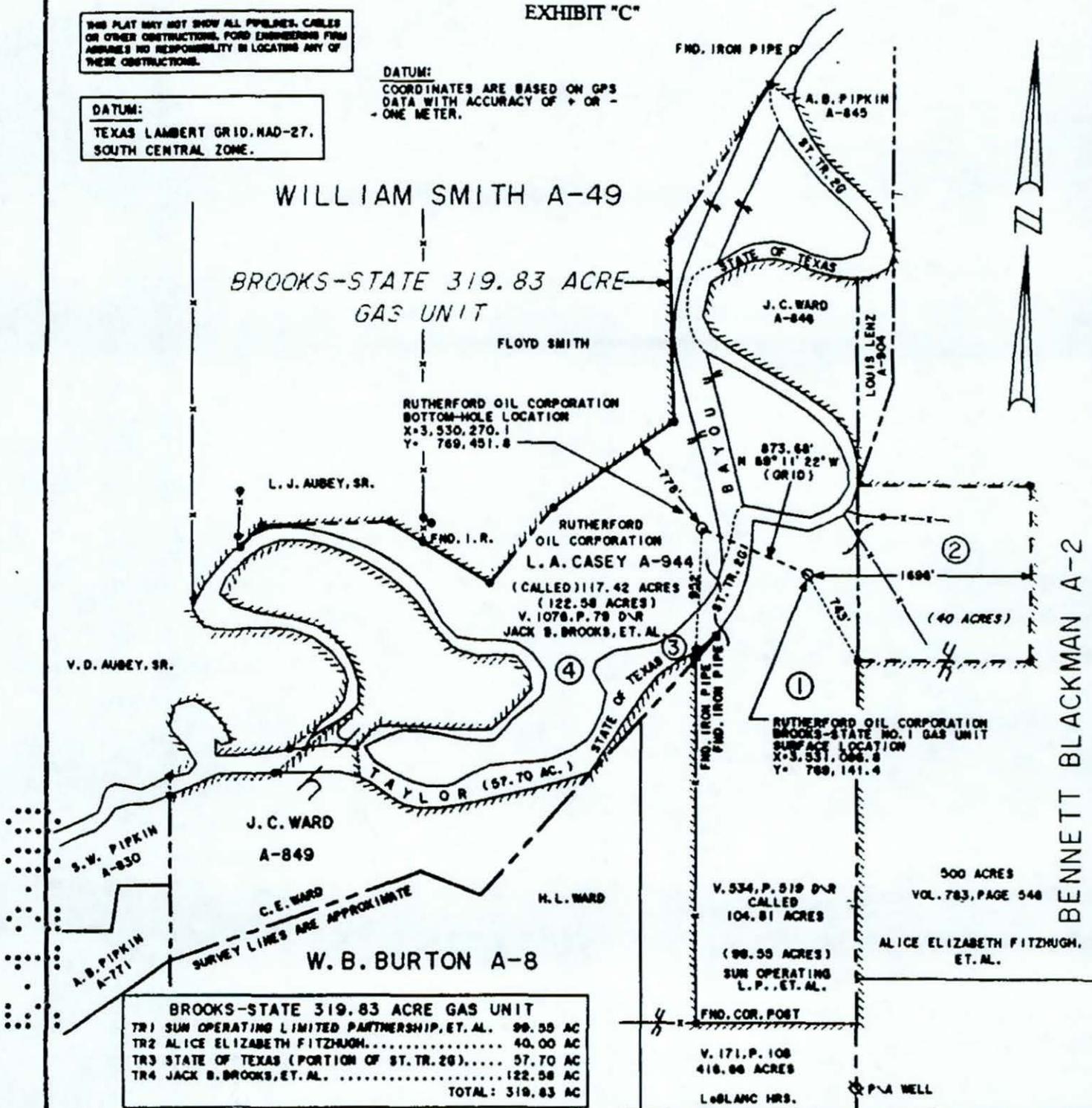
EXHIBIT "C"

THIS PLAT MAY NOT SHOW ALL PIPELINES, CABLES OR OTHER OBSTRUCTIONS. FORD ENGINEERING FIRM ASSUMES NO RESPONSIBILITY IN LOCATING ANY OF THESE OBSTRUCTIONS.

DATUM:
TEXAS LAMBERT GRID, NAD-27,
SOUTH CENTRAL ZONE.

DATUM:
COORDINATES ARE BASED ON GPS
DATA WITH ACCURACY OF + OR -
ONE METER.

WILLIAM SMITH A-49
BROOKS-STATE 319.83 ACRE
GAS UNIT



BROOKS-STATE 319.83 ACRE GAS UNIT	
TR1	SUN OPERATING LIMITED PARTNERSHIP, ET. AL. 98.55 AC
TR2	ALICE ELIZABETH FITZHUGH..... 40.00 AC
TR3	STATE OF TEXAS (PORTION OF ST. TR. 26)..... 57.70 AC
TR4	JACK B. BROOKS, ET. AL. 122.58 AC
TOTAL: 319.83 AC	

★ SEE ACCOMPANYING DESCRIPTION FOR METES & BOUNDS ON BROOKS-STATE 319.83 ACRE GAS UNIT.

THE ABOVE PLAT AND ACCOMPANYING DESCRIPTION WERE PREPARED FROM AN ACTUAL SURVEY AND RECORDED INFORMATION. THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS 28TH DAY OF SEPTEMBER, 1999.

FORD ENGINEERING FIRM
CIVIL ENGINEERS AND SURVEYORS

BY *Deward Gail Ford*
DEWARD GAIL FORD
REG. PROFESSIONAL LAND SURVEYOR OF TEXAS NO. 348

RUTHERFORD OIL CORPORATION	
BROOKS-STATE 319.83 ACRE GAS UNIT	
VARIOUS SURVEYS	
JEFFERSON COUNTY, TEXAS	
FORD ENGINEERING FIRM - VICTORIA, TEXAS - 361-573-3249	
SCALE: 1" = 1000'	DATE: 9-28-99 JOB NO.: 9-799-R
JEFF. 99-5	DRAWN BY: JRG CHECKED BY: DVM

BENNETT BLACKMAN A-2



I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *S. Henderson* DEPUTY
SUSAN HENDERSON

EXHIBIT D

Definition of Terms

As set forth in the attached Assignment of Overriding Royalty Interest, Brooks-State Unit No. 1 (Wellbore Only), the following terms shall have the meanings as set forth below:

The "Well" shall mean that certain wellbore currently operated by Rutherford Oil Corporation, the surface location of which is located at x coordinate 3,531,087 and y coordinate 769,141 and the bottomhole location of which is located at x coordinate 3,530,378.6 and y coordinate 769,413.3 (Texas Lambert Grid, NAD-27, South Central Zone), Jefferson County, Texas and which wellbore has been assigned API No. 45-245-32225.

FILED AND RECORDED

Sandy Walker

2000 MAR 28 09:00 AM 2000011423
SANDY WALKER
COUNTY CLERK
JEFFERSON COUNTY, TEXAS



I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

APR 26 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Susan Henderson* DEPUTY
SUSAN HENDERSON

255024

*Ret: Rutherford Oil Corp.
5 East Greenway Plaza
Suite 220
Houston Tx 77046*

10

File No. M-100526
Recorded copy of Assignment
of Overriding Royalty Interest
Date Filed: 5/16/2000
By David Dewhurst, Commissioner
Deputy Mayor



2000

RUTHERFORD OIL CORPORATION

5 EAST GREENWAY PLAZA, SUITE 220

HOUSTON, TEXAS 77046

TEL: (713) 622-5555

FAX: (713) 621-7072

May 17, 2000

Mr. Jim Baumgardner
Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, TX 78701-1495

Reference: Assignment of Oil and Gas Leases
(1006/1004-00)
Taylor's Bayou Prospect
Jefferson County, Texas

Dear Mr. Baumgardner:

Enclosed for your files is a certified copy of the referenced assignment. Also enclosed is Rutherford Oil Corporation's check number 48863 in the amount of \$50.00 to cover the filing fee of same.

If we can be of further assistance, please call.

Very truly yours,

RUTHERFORD OIL CORPORATION

Marti J. Drummond

Marti J. Drummond
Land Department

mjd

Enclosures

GenLand7.ltr

11

File No. M-100526

Assignment

Date Filed: 7-17-00

David Demhurst, Commissioner

By DB

~~SECRET~~ SECRET

Texas General
Land Office



David Dewhurst
Commissioner

COPY

May 24, 2000

Ms. Marti J. Drummond
Rutherford Oil Corporation
5 East Greenway Plaza Suite 220
Houston, Texas 77046

RE: Assignment filing

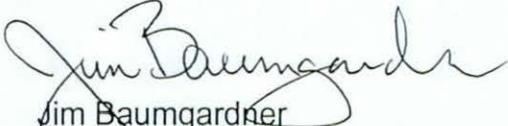
Dear Ms. Drummond:

The General Land Office received the following instrument on May 22, 2000, and has filed it in MF100526.

Assignment of Oil and Gas Lease (100%) with an execution date of September 17, 1999, from Rutherford Oil Corporation, as Assignor, to Michael G. Rutherford, Patrick R. Rutherford, Jr., IP Petroleum Company, Inc., Ferguson Resources 1998, GDM Resources, Ltd., Grable Bosworth Ronning, The Grable Bosworth Ronning 1983 Trust, Barbara K. Alexander and The Barbara K. Alexander 1983 Trust, as Assignee, recorded in Jefferson County, Texas.

Filing fees of \$50.00 were received in connection with the above assignment. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 475-2230.

Sincerely,


Jim Baumgardner
Landman
Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

Rutherford Oil Corporation; MF100526

COPY

File No. MF-100526

Ltr to Mart J. ~~Baba~~
Drummond

Date Filed: 9-24-00

Jerry E. Patterson, Commissioner

By _____

ASSIGNMENT OF OIL AND GAS LEASES

Checked for MF #'s
 Entered in database: 3007
 Problem file? Y N
 Acknowledgement letter sent 5-24-00

THE STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS
 COUNTY OF JEFFERSON)

THAT RUTHERFORD OIL CORPORATION ("Assignee"), whose address is Three Riverway, Suite 1600, Houston, Texas 77056, for good and sufficient consideration, the receipt of which is hereby acknowledged, does hereby SELL, ASSIGN and CONVEY unto the following

ASSIGNEE'S NAME AND ADDRESS	INTEREST ASSIGNED
IP Petroleum Company, Inc P O Box 4258 Houston, Texas 77210	25 0000%
Michael G Rutherford Three Riverway, Suite 1600 Houston, Texas 77056	36 0000%
Patrick R Rutherford, Jr 5 Greenway Plaza, Suite 220 Houston, Texas 77046	36 0000%
Barbara K Alexander c/o Alexander Energy P O Box 2026 Carson City, Nevada 89702	4590%
The Barbara K Alexander 1983 Trust c/o Alexander Energy P O Box 2026 Carson City, Nevada 89702	2160%
GDM Resources, Ltd P O Box 2508 Bakersfield, California 93303-2508	3000%
Ferguson Resources 1998 P O Box 2508 Bakersfield, California 93303-2508	1 3500%
Grable Bosworth Ronning P O Box 9288 Incline Village, Nevada 89452	4590%
The Grable Bosworth Ronning 1983 Trust P O Box 9288 Incline Village, Nevada 89452	2160%

(collectively, the "Assignees" and individually, an "Assignee"), and Assignees' respective successors, assigns, and legal representatives, the undivided percentage interests set out next to each Assignee's name above, in and to Assignor's rights, title and interests in, to and under the Oil, Gas and Liquid Hydrocarbon Leases, which are more particularly described in Exhibit "A" attached hereto, and the oil, gas and liquid hydrocarbon leasehold estates created thereunder (collectively, the "Leases" and individually, a "Lease")

I CERTIFY THIS IS A TRUE COPY
 Witness my Hand and Seal of Office

MAY 08 2000

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS

BY *Sheila Peveto* DEPUTY
 SHEILA PEVETO

TO HAVE AND TO HOLD the above-described undivided interests in the Leases, together with all and singular the rights, hereditaments, and appurtenances thereto in any wise belonging, unto Assignees and Assignees' respective successors and assigns, forever, subject to the reservations, encumbrances, and other matters set forth in this Assignment

This Assignment is made without any warranty of title, either express or implied, except that Assignor warrants that (a) there have been no transfers, exchanges, conveyances or encumbrances of the Leases described herein, by through or under Assignor, but not otherwise, and (b) Assignor has good right and authority to sell and convey its interests in the Leases Except as provided in the foregoing sentence, this Assignment is executed and accepted by Assignees without any express or implied warranties or representations of any kind

This Assignment is made with full rights of substitution and subrogation of Assignees and Assignees' successors and assigns, in and to all covenants and warranties, if any, heretofore given or made with respect to the Leases

EXECUTED this 25TH day of August, 1999, but Effective the 21st day of July, 1999

ASSIGNOR

RUTHERFORD OIL CORPORATION

By [Signature]
Mike G Rutherford, President

ASSIGNEES

IP PETROLEUM COMPANY, INC

By [Signature]
Its Stephen M. Gulary
Land Manager

[Signature]
MICHAEL G RUTHERFORD
[Signature]
PATRICK R. RUTHERFORD, JR

FERGUSON RESOURCES 1998

By [Signature]
Its Senior Vice President

GDM RESOURCES, LTD

By [Signature]
Its Senior Vice President

Barbara K. Alexander
BARBARA K ALEXANDER

Grable Bosworth Ronning
GRABLE BOSWORTH RONNING

THE BARBARA K ALEXANDER 1983 TRUST

By Barbara K. Alexander
Its Trustee

THE GRABLE BOSWORTH RONNING 1983 TRUST

By Grable Bosworth Ronning
Its Trustee

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 08 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY [Signature] DEPUTY
SHEILA PEVETO

THE STATE OF TEXAS)(

COUNTY OF HARRIS)(

This instrument was acknowledged before me on the 25 day of August, 1999, by Mike G Rutherford, President of Rutherford Oil Corporation, on behalf of said corporation



Marti Young
Notary Public in and for the State of Texas

THE STATE OF TEXAS)(

COUNTY OF HARRIS)(

This instrument was acknowledged before me on the 25 day of August, 1999, by Michael G Rutherford

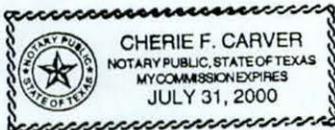


Marti Young
Notary Public in and for the State of Texas

THE STATE OF TEXAS)(

COUNTY OF HARRIS)(

This instrument was acknowledged before me on the 25th day of August, 1999, by Patrick R Rutherford, Jr



Cherie F. Carver
Notary Public in and for the State of Texas

THE STATE OF NEVADA)(

COUNTY OF Carson)(

This instrument was acknowledged before me on the 17th day of September, 1999, by Barbara K Alexander



Connie Delany
Notary Public in and for the State of Nevada

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 08 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Sheila Peveto DEPUTY
SHEILA PEVETO

THE STATE OF NEVADA)(

COUNTY OF Carson)(

This instrument was acknowledged before me on the 17th day of September, 1999, by Barbara K. Alexander, Trustee of the Barbara K Alexander 1983 Trust, on behalf of said trust

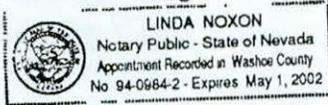


Connie Delany
Notary Public in and for the State of Nevada

THE STATE OF NEVADA)(

COUNTY OF Washoe)(

This instrument was acknowledged before me on the 15th day of Sept., 1999, by Grable Bosworth Ronning

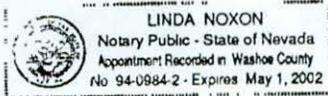


Linda Noxon
Notary Public in and for the State of Nevada

THE STATE OF NEVADA)(

COUNTY OF Washoe)(

This instrument was acknowledged before me on the 15th day of Sept., 1999, by Grable Bosworth Ronning, Trustee of the Grable Bosworth Ronning 1983 Trust, on behalf of said trust



Linda Noxon
Notary Public in and for the State of Nevada

THE STATE OF CALIFORNIA)(

COUNTY OF Kern)(

This instrument was acknowledged before me on the 13th day of September, 1999, by Gary Ronning, Senior V.P. of Ferguson Resources 1998, on behalf of said Corporation



Michele Caverly
Notary Public in and for the State of California

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 08 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Sheila Peveto DEPUTY
SHEILA PEVETO

THE STATE OF CALIFORNIA)(

COUNTY OF Kern)(

This instrument was acknowledged before me on the 13th day of September, 1999, by Gary Ronning, Senior V.P. of GDM Resources, Ltd, on behalf of said Corporation



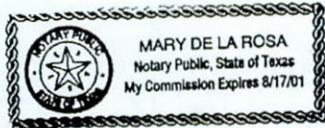
Michele Caverly
Notary Public in and for the State of California

THE STATE OF TEXAS)(

COUNTY OF HARRIS)(

This instrument was acknowledged before me on the 31st day of August, 1999, by Stephen M. Guidry, Land Manager of IP Petroleum Company, Inc., on behalf of said corporation.

Mary De La Rosa
Notary Public in and for the State of Texas



Vertical text on the left margin, possibly a page number or reference code, consisting of a series of dots and a vertical line.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 08 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Sheila Peveto DEPUTY
SHEILA PEVETO

EXHIBIT "A"

LEASE SCHEDULE

Lease No	Lessor	Lease Date	Gross Acres	Roy	Recording Document No.
1006/1001-01	Jack B Brooks	11/13/98	117 42	1/4	1999014026
1006/1001-02	David J Stewart, Jr	12/03/98	117 42	1/4	1999014027
1006/1001-03	R Scott Garland	12/03/98	117 42	1/4	1999014028
1006/1001-04	Kristen G Slyman	12/03/98	117 42	1/4	1999014029
1006/1001-05	Roberta Susan Morrow	12/03/98	117 42	1/4	1999014030
1006/1001-06	Robert F Garland, III	12/16/98	117 42	1/4	1999014031
1006/1001-07	Robert F Garland, Jr	12/03/98	117 42	1/4	1999014032
1006/1001-08	Paula B Corey	12/03/98	117 42	1/4	1999014033
1006/1001-09	Jeffrey M Garland	12/03/98	117 42	1/4	1999014034
1006/1001-10	Sandra Lee Swicki	12/03/98	117 42	1/4	1999014035
1006/1001-11	Dan P Garland, Sr (Sue Nell Garland, AIF)	12/03/98	117 42	1/4	1999014036
1006/1001-12	Daniel P Garland, Jr	12/03/98	117 42	1/4	1999014037
1006/1001-13	Bertha Renee Newell	12/03/98	117 42	1/4	1999014038
1006/1003-00	Sun Operating Limited Partnership, acting by and thru Kerr-McGee Corporation, its Managing General Partner	04/21/99	104 81	1/4	1999019685
1006/1004-00	State of Texas	04/06/99	145 00	1/4	1999021662

MF100526

FILED AND RECORDED

Sandy Walker

1999 OCT 08 09:02 AM 1999038927
SANDY WALKER
COUNTY CLERK
JEFFERSON COUNTY, TEXAS

Ret: Rutherford Oil Corp
Three River Suite 1600
Houston TX 77056

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 08 2000

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Sheila Peveto* DEPUTY
SHEILA PEVETO

11.6

File No. MF-100526

Assignment 1

Date Filed: 5-22-00

Jerry E. Patterson, Commissioner

By _____

[Faint signature]

2.25.00 ~~2.25.00~~

Texas General
Land Office



David Dewhurst
Commissioner

3 21 00

RECEIVED

MAR 02 2000

D.W.C.

February 29, 2000

David W. Childress
Mayor, Day, Caldwell & Keeton, L.L.P.
700 Louisiana Suite 1900
Houston, Texas 77002-7000

RE: Mineral Lease Assignment

Dear Mr. Childress:

On December 22, 1999, the Texas General Land Office sent you a letter requesting a certified-recorded copy of the instrument assigning MF100526. That letter is attached for your perusal. To date we have received no response. Accordingly, I am returning the following assignment unfiled:

Assignment of Oil and Gas Lease (100%) with an execution date of June 18, 1999, from Dillon J. Ferguson, as Assignor, to Rutherford Oil Corporation, as Assignee, recorded in Jefferson County, Texas.

If you have any questions or comments, please call me at (512) 475-2230.

Sincerely,

A handwritten signature in black ink that reads "Jim Baumgardner".

Jim Baumgardner
Landman
Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

Mayor, Day, Caldwell & Keeton, L.L.P.; MF100526 (reject)

Texas General
Land Office



David Dewhurst
Commissioner

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

3 21 00
COPY

December 22, 1999

David W. Childress
Mayor, Day, Caldwell & Keeton, L.L.P.
700 Louisiana Suite 1900
Houston, Texas 77002-7000

RE: Mineral Lease Assignment

Dear Mr. Childress:

The General Land Office received the following instrument on July 22, 1999, and has not yet filed it in MF100526.

Assignment of Oil and Gas Lease (100%%) with an execution date of June 18, 1999, from Dillon J. Ferguson, as Assignor, to Rutherford Oil Corporation, as Assignee, recorded in Jefferson County, Texas.

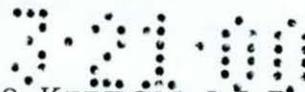
In order to complete the filing of this Assignment you will need to provide a certified-recorded instrument from the county in which the instrument was filed. Once I have that information I will complete the filing. If I do not hear from you within thirty (30) days from the date of this letter, the instrument will be returned to you unfiled.

Filing fees of \$25.00 were received in connection with the above assignment. If you have any questions, please feel free to call me.

Sincerely,

Jim Baumgardner
Landman
Energy Resources

Mayor, Day, Caldwell & Keeton, L.L.P.; MF100526 (Problem)



MAYOR, DAY, CALDWELL & KEETON, L.L.P.

700 LOUISIANA, SUITE 1900
HOUSTON, TEXAS 77002-2778
TELEPHONE (713) 225-7000
FACSIMILE (713) 225-7047

100 CONGRESS AVENUE
SUITE 1500
AUSTIN, TEXAS 78701-4042
TELEPHONE (512) 320-9200
FACSIMILE (512) 320-9292

DAVID W. CHILDRESS
PARTNER
(713) 225-7953
dchildress@mdck.com

July 20, 1999

General Land Office
1700 N. Congress, Suite 60
Austin, Texas 78701

Attn: Ms. Laura Leal
Accounts Examiner

Re: Assignment of Oil and Gas Lease No. M-100526
Tract 2-G
Taylors Bayou, Jefferson County, Texas

99056306

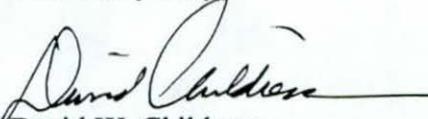
Mayor Etal
cc X 25.00
129

Dear Ms. Leal:

Enclosed for your further handling please find a recorded and certified copy of an Assignment of the captioned Oil and Gas Lease from the original Lessee, Dillon J. Ferguson, in favor of Rutherford Oil Corporation, along with our check in the amount of \$25.00 to cover the filing fee.

Please advise if you need any further information with regard to this Assignment.

Yours very truly,


David W. Childress

DWC/jlm
Enclosure

cc: Mr. J. P. Chenoweth, III, CPL
Rutherford Oil Corporation

::ODMA\PCDOCS\HOUSTON\657643\1

- Logged in D.B.
- Money cleared
- Ready for Acknowledgement
need certified recorded

RECEIVED
99 JUL 22 PM 4:57
LEGAL RESOURCES

3 21 00

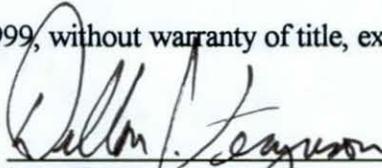
ASSIGNMENT OF OIL AND GAS LEASE

STATE OF TEXAS §
 §
COUNTY OF JEFFERSON §

DILLON J. FERGUSON, whose address is 700 Louisiana Street, Suite 1900, Houston, Texas 77002 (herein called "Assignor"), for good and valuable consideration, the receipt and sufficiency of which are acknowledged, does hereby grant, sell, assign and convey unto RUTHERFORD OIL CORPORATION (the "Assignee), whose address is Three Riverway, Suite 1600, Houston, Texas 77056, its successors and assigns, all right, title and interest in and to Oil and Gas Lease No. M-100526, (the "Subject Lease"), by and between the State of Texas, acting by and through the Commissioner of the General Land Office, as Lessor, and Dillon J. Ferguson, as Lessee, covering Tract 2-G of Taylors Bayou, Jefferson County, Texas, containing approximately 145 acres; Tract 2-G is bound on the west by a Northerly extension of the most easterly line of the S.W. Pipken Survey, A-830, and is bound on the East by a Northerly extension of the west line of the A. Hotchkiss Grant, A-31.

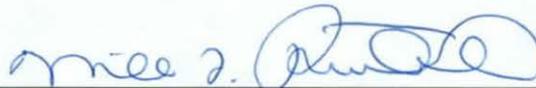
By execution hereof, Assignee agrees to assume all obligations of Assignor imposed by virtue of the Subject Lease and to indemnify and hold Assignor harmless therefrom.

EXECUTED this 18th day of June, 1999, without warranty of title, express or implied.



DILLON J. FERGUSON

RUTHERFORD OIL CORPORATION

By: 
Name: Mike G. Rutherford
Title: President

1999026927 2 P98

30100

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me this 24th day of June, 1999, by DILLON J. FERGUSON.

(SEAL)



[Signature]
Notary Public in and for the State of Texas
Print Name: _____
My Commission Expires: _____

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me this 18 day of June, 1999, by Mike D. Rutherford, on behalf of RUTHERFORD OIL CORPORATION.

(SEAL)

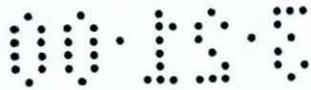


[Signature]
Notary Public in and for the State of Texas
Print Name: _____
My Commission Expires: _____

Return to:
Mayor & Day Caldwell & Keeton
700 Louisiana STE 1900
Houston TX 77002-2778
Attn: Dawin Children

FILED AND RECORDED

1999 JUL 12 02:27 PM 1999026927
SANDY WALKER
COUNTY CLERK
JEFFERSON COUNTY, TEXAS



STATE OF TEXAS COUNTY OF JEFFERSON

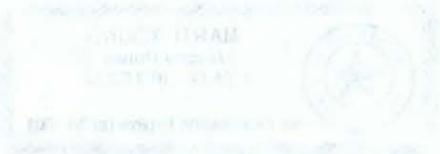
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Jefferson County, Texas, on

JUL 12 1999



Sandy Walker

County Clerk, Jefferson County, Texas



JEFFERSON COUNTY, TEXAS
SANDY WALKER
COUNTY CLERK
JUL 12 02:27 PM 1999
FILED AND RECORDED

Texas General
Land Office



David Dewhurst
Commissioner

COPY

March 22, 2000

David W. Childress
Mayor, Day, Caldwell & Keeton, L.L.P.
700 Louisiana Suite 1900
Houston, Teaxs 77002-7000

RE: Assignment filing

Dear Mr. Childress:

The General Land Office received the following instrument on July 22, 1999, and has filed it in MF100526.

Assignment of Oil and Gas Lease (100%) with an execution date of June 18, 1999, from Dillon J. Ferguson, as Assignor, to Rutherford Oil Corporation, as Assignee, recorded in Jefferson County, Texas.

Filing fees of \$25.00 were received in connection with the above assignment. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 475-2230.

Sincerely,

Jim Baumgardner
Landman
Energy Resources

Mayor, Day, Caldwell & Keeton, L.L.P.; MF100526

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

MAYOR, DAY, CALDWELL & KEETON, L.L.P.

700 LOUISIANA, SUITE 1900
HOUSTON, TEXAS 77002-2778
TELEPHONE (713) 225-7000
FACSIMILE (713) 225-7047

100 CONGRESS AVENUE
SUITE 1500
AUSTIN, TEXAS 78701-4042
TELEPHONE (512) 320-9200
FACSIMILE (512) 320-9292

DAVID W. CHILDRESS
PARTNER
(713) 225-7953
dchildress@mdck.com

March 13, 2000

***Certified Mail – Return
Receipt Requested No. Z 285 462 147***

Mr. Jim Baumgardner
Landman
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 79701-1495

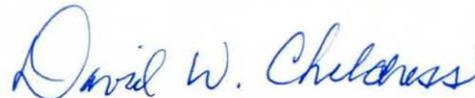
Re: Mineral Lease Assignment

Dear Mr. Baumgardner:

Further to your letter dated February 29, 2000, enclosed for filing is a certified and recorded copy of the Assignment of Oil and Gas Lease from the original lessee, Dillon J. Ferguson, in favor of Rutherford Oil Corporation. You have already received our check in the amount of \$25.00 to cover the filing fee.

Please advise if you need anything further with regard to this Assignment.

Yours very truly,



David W. Childress

DWC/jlm
Enclosure

::ODMA\PCDOCS\HOUSTON\714568\1

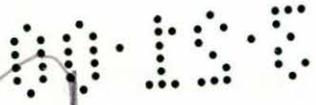
12.

File No. MF 100526

Argumant

Date Filed: 2/29/00

By: *[Signature]*
David D. Winters, Commissioner



Vendor	Invoice	Invoice Date	Voucher	Reference Comments	Gross	Discount	Net
31780	31600	3/16/00	30147		725.00	0.00	725.00

038758

~~725.00~~

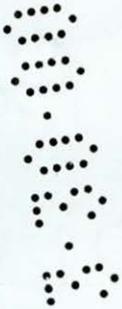
M-100526

(W)

121

COCK 725.00

Rutherford oil corp.



Vendor	Invoice	Invoice Date	Voucher	Reference Comments	Gross	Discount	Net
31780	031901	3/19/01	30059		436.50	0.00	436.50
							436.50

X 436.50

01032348

121

✓ Rutherford Oil Corp.

M-100524

RECEIVED
01 MAR 23 PM 3:19
PROPERTY RESCU

10.03.0

h

File No. MF100526 140

Central Payment

Date Filed: 3/23/01

David Downhurst, Commissioner

By [Signature]

3.53.07

Texas General
Land Office



David Dewhurst
Commissioner

COPY

July 18, 2001

Mr. Charlie Ice
Pure Resources, L.P.
500 West Illinois
Midland, Texas 79701

RE: Assignment filing

Dear Mr. Ice:

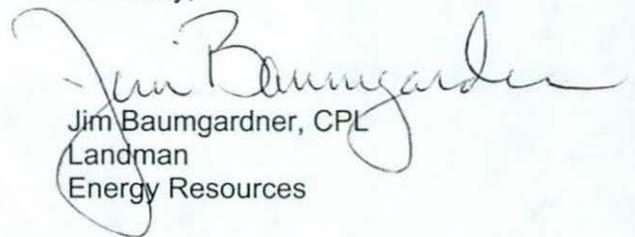
The General Land Office received the following instrument on June 26, 2001, and has filed it in MF100526.

Assignment of Oil and Gas Lease (100%) with an execution date of March 1, 2001, from IP Petroleum Company, Inc. and Southland Energy Company, as Assignor, to Pure Partners, L.P., as Assignee, recorded in Jefferson County, Texas.

Please be advised that in accordance with the pertinent provisions of the Texas Natural Resources Code, the General Land Office does not recognize indemnity language that may be contained in the instrument. Absent a specific request to the commissioner, the transferor remains liable to fully discharge its obligations under the lease, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites.

Filing fees of \$25.00 were received in connection with the above assignment. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 475-2230.

Sincerely,


Jim Baumgardner, CPL
Landman
Energy Resources

Mailing
Post Office Box 12873
Austin, Texas
78711-2873

Street
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Pure Resources, L.P.: MF100526

512.463.5001
1.800.998.4GLO
www.glo.state.tx.us



June 21, 2001

Texas General Land Office
Stephen F. Austin Building
1700 N. Congress Avenue
Austin, TX 71052
Attn: Drew Reid

VIA CERTIFIED MAIL – 7099 3220 0005 1185 5010

RE: State of Texas Oil and Gas Lease, Jefferson County, Texas

Dear Mr. Reid:

Enclosed is a certified copy of the recorded Assignment, Conveyance and Bill of Sale, between IP Petroleum, Inc. and Southland Energy Company, "Assignors" and Pure Partners, L.P., "Assignee", covering State of Texas lease number M 100526 and recorded as document number 2001018831, page 34.

Also, enclosed is Pure Resources, L.P. Check No. 006424 amount of \$25.00 for filing fees.

Should you have any questions, do not hesitate to contact me at our toll free number (800) 725-6612, Ext. 2600.

Very truly yours,

A handwritten signature in blue ink that reads "Charlie Ice".

Charlie Ice
Landman
CI/mah
Enclosures
h:personal/TXGLO Reid



PURE RESOURCES, L.P. ✓
ACQUISITION TEXAS GENERAL LAND OFFICE

6/20/2001

006424

•PURE/IP ACQ.

Payment in full for Filing and Recording Fees covering
State of Texas Lease # M100526, Jefferson County, Texas,
as set out in attached letter.

25.00

01047875

X25.00
129

Checking

Filing and Recording Fee



PURE RESOURCES, L.P.
ACQUISITION TEXAS GENERAL LAND OFFICE

6/20/2001

006424

PURE/IP ACQ.

Payment in full for Filing and Recording Fees covering
State of Texas Lease # M100526, Jefferson County, Texas,
as set out in attached letter.

25.00

PAYMENT
RECORD

Checking

Filing and Recording Fee

25.00

RECEIVED
01 JUN 26 PM 3:01
ENERGY RESOURCES

• Checked for MF #'s	<input checked="" type="checkbox"/>
• Entered in database:	3374
• Problem file? Y ___ N ___	<input checked="" type="checkbox"/>
• Acknowledgement letter sent	_____

Jefferson Co.

Upon Recordation, Return to:
 Pure Partners, L.P.
 500 West Illinois
 Midland, Texas 79701
 Attn: Land Department

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

IP PETROLEUM COMPANY, INC. and
 SOUTHLAND ENERGY COMPANY
 as Assignor

AND

PURE PARTNERS, L.P.
 as Assignee

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I CERTIFY THIS IS A TRUE COPY
 Witness my Hand and Seal of Office
 MAY 25 2001

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
 MARIAN PAGE

10.03.0

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

THIS ASSIGNMENT, CONVEYANCE AND BILL OF SALE (this "Conveyance"), effective as of October 1, 2000 (the "Effective Time"), is made by IP Petroleum Company, Inc., a Delaware corporation and Southland Energy Company, a Texas corporation (collectively, "Assignor"), whose address for notice purposes is 6600 LBJ Freeway, Suite 200, Dallas, Texas 75240, Attention: Legal Department, to Pure Partners, L.P., a Delaware limited partnership ("Assignee"), whose address for notice purposes is Pure Partners, L.P., 500 West Illinois, Midland, Texas 79701, Attn: Land Department.

ARTICLE I Granting and Habendum

For ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell, transfer, convey, set over, assign and deliver unto Assignee, its successors and assigns, effective for all purposes as of the Effective Time and subject to the matters set forth herein, the Assets. The term "Assets" shall mean all of Assignor's undivided right, title and interest in and to the following, less and except the Excluded Assets (as hereinafter defined):

(a) the oil, gas and mineral leases and the leasehold estates created thereby described in Part I of Exhibit A (the "Leases") and all overriding royalty interests, the net profits interests, the payments out of production and other rights described in Exhibit A and all additional interests of Assignor in and to the Leases (collectively, the "Properties," or singularly, a "Property");

(b) all rights incident to the Properties, including without limitation, (i) all rights under the Leases comprising the Properties with respect to the use and occupation of the surface of and the subsurface depths under the Properties and (ii) all rights with respect to any pooled, communitized or unitized acreage by virtue of any Property being a part thereof, including all production from such pool or unit allocated to any such Property;

(c) all easements, rights-of-way, servitudes, permits, licenses, franchises and other estates or similar rights and privileges related to or used solely in connection with the Properties, including without limitation the easements described in Part I of Exhibit A ("Easements");

(d) all personal property, fixtures, inventory and improvements located on or used in connection with the Properties and the Easements or with the production, treatment, sale, or disposal of oil, gas or other hydrocarbons (collectively "Hydrocarbons"), byproducts or waste produced therefrom or attributable thereto, including without limitation all rolling stock, vehicles, wells (whether producing, shut in or abandoned, and whether for production, injection or disposal), wellhead equipment, pumps, pumping units, flowlines, gathering systems, piping, tanks, buildings, treatment facilities, injection facilities, disposal facilities, compression facilities, and other

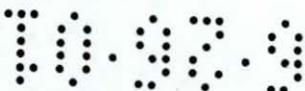
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Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



materials, supplies, equipment, facilities and machinery, any software (or software license) that may be transferred without consent of, or payment to, any third party and that is used in the administration of the Assets or any accounting function in connection with the Assets, and any furniture, office equipment, computers or other personal property used in the administration of the Assets;

(e) all rights, titles and interests in, to or derived from contracts, agreements, assignments, leases and other arrangements that relate to the Properties and Easements, including without limitation production sales contracts, operating agreements, service agreements and, to the extent assignable, licenses relating to geophysical data or the rights to acquire such licenses or data, and the contracts, agreements, leases and other arrangements described in Part II of Exhibit A (the "Contracts"); and

(f) all contract and accounting files, books, records, files, well files, muniments of title, reports and similar documents and materials of Assignor that relate to the foregoing interests (the "Records").

LESS AND EXCEPT, and Assignor hereby retains all of its right, title and interest in and to, the following (collectively, the "Excluded Assets"):

(a) all corporate, financial (but not accounting), tax, and legal records of Assignor relating to the Assets (other than legal records relating to title and contract matters pertaining to the Assets and other than any such records of Assignor that Assignor and Assignee agree are necessary to own, operate and enjoy the Assets);

(b) all non-proprietary or jointly owned geophysical data licensed to Assignor that cannot be transferred without the consent of, or payment (unless Assignee agrees to obtain such consent or make such payment) to, any third party;

(c) all personal property of Assignor or its Affiliates (as hereinafter defined) located at the corporate headquarters of Assignor;

(d) any and all net proceeds (excluding any underproduced imbalance position at the Effective Time comprising part of the Assets that is shown on Schedule 5.22 to the Contribution Agreement, as hereinafter defined) payable to Assignor under the Contracts including, without limitation, from the settlement of contract disputes with purchasers or transporters of Hydrocarbons or byproducts produced from the Properties, including without limitation, settlement of take-or-pay disputes, insofar as said proceeds are attributable to periods of time prior to the Effective Time;

(e) all mineral fee interests, royalty interests and nonproducing leasehold interests of Assignor and its affiliates described in the Mineral and Royalty Deed, Mineral Servitude and Royalty Deed and Assignment and Conveyance delivered to Pure Resources, L.P. pursuant to that certain Agreement for Purchase and Sale dated January 29, 2001 between IP Petroleum Company, Inc., Pure Resources, L.P., International Paper Company, International Paper Realty Corporation, IP Farms, Inc., IP Timberlands

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Witness my Hand and Seal of Office

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JEFFERSON COUNTY, TEXAS

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MARIAN PAGE



Operating Company, Ltd., GCO Minerals Company, The Long-Bell Petroleum Company, Inc., American Central Corporation, Champion Realty Corporation and Sustainable Forests L.L.C. (the "Purchase and Sale Agreement") and recorded in the counties and parishes where such interests are located, it being understood that any interests owned by Assignor as described in this clause (e) are being sold and conveyed by pursuant to the foregoing described instruments;

(f) any refund of costs, taxes or other expenses borne by Assignor or their predecessors in title attributable to the period prior to the Effective Time;

(g) the properties described on Exhibit B (including all rights and interests in oil and gas owned or claimed by any of the parties constituting Assignor hereunder in or to such properties); and

(h) any net overproduction relative to the Properties that is attributable to the time period prior to the Effective Time to the extent not shown in Schedule 5.22 to the Contribution Agreement.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, privileges, contracts and appurtenances, in any way appertaining or belonging thereto, unto Assignee and to its successors and assigns, forever, subject to the matters set forth herein.

ARTICLE II No Warranty and Disclaimers

Section 2.01 No Warranty of Title. This Conveyance is made without warranty of title of any kind whatsoever, express, implied or statutory, and without recourse, even as to the return of the purchase price or other consideration, but with full substitution and subrogation of Assignee, and all persons claiming by, through and under Assignee, to the extent assignable, in and to all covenants and warranties by Assignor's predecessors in title and with full subrogation of all rights accruing under the statutes of limitation or prescription under the laws of various states in which each Property is located. Any covenants or warranties implied by statute or law by the use of the word "grant," "transfer" or "convey" or other similar words in this Conveyance are hereby expressly restrained, disclaimed, waived and negated. This Conveyance is subject to the Permitted Encumbrances, as defined in the Contribution Agreement dated January 29, 2001, by and between Assignor, Assignee, International Paper Realty Corporation, Transtates Properties Incorporated, Pure Resources, L.P., Pure Resources I, Inc., PK I, L.P., PK II, L.P., PK III, L.P. and PK IV, L.P. (the "Contribution Agreement"). It is the intent of Assignor to convey particular rights in property as specifically described in this Conveyance and not just a chance of title. Consequently, this instrument is a conveyance without warranties, as provided herein, and not a quitclaim.

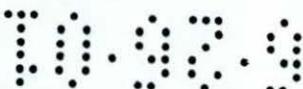
Section 2.02 Disclaimer. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF THE ASSIGNOR MADE IN THE CONTRIBUTION AGREEMENT, ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE ASSETS, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, EXCEPT AS SPECIFICALLY REPRESENTED BY ASSIGNOR IN ARTICLE V OF THE CONTRIBUTION AGREEMENT, AND (c) THE ENVIRONMENTAL CONDITION OF THE ASSETS. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF THE ASSIGNOR MADE IN THE CONTRIBUTION AGREEMENT, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE ASSETS (i) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (iii) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (iv) ANY RIGHTS OF PURCHASERS UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vi) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vii) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR HEALTH, IT BEING THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNOR THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE ASSETS SHALL BE CONVEYED TO ASSIGNEE, AND ASSIGNEE SHALL ACCEPT SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND ASSIGNEE REPRESENTS TO ASSIGNOR THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS WITH RESPECT TO SUCH PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES AS ASSIGNEE DEEMS APPROPRIATE. ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

ARTICLE III
Miscellaneous

Section 3.01 Construction. The captions in this Conveyance are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Conveyance. Assignor and Assignee acknowledge that they have participated jointly in

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-4-

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



LIBRARY

the negotiation and drafting of this Conveyance and as such they agree that if an ambiguity or question of intent or interpretation arises hereunder, this Conveyance shall not be construed more strictly against one party than another on the grounds of authorship. Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Contribution Agreement.

Section 3.02 No Third Party Beneficiaries. Nothing in this Conveyance shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Conveyance shall otherwise not be construed as a third party beneficiary contract.

Section 3.03 Assignment. The rights and interest of any party to this Conveyance may be assigned in whole or in part. This Conveyance shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors, assigns and legal representatives.

Section 3.04 Governing Law. This Conveyance, other documents delivered pursuant hereto and the legal relations between the parties hereto shall be governed and construed in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws, except to the extent that it is mandatory that the law of some other jurisdiction, wherein the Properties are located, shall apply.

Section 3.05 Counterpart Execution. This Conveyance may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Conveyance are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Conveyance, but each counterpart shall be considered an original.

Section 3.06 Separate Assignment by Each Assignor. The parties hereto acknowledge and agree that the Assets are not owned by each of the parties constituting Assignor in the same proportion as to each and every component thereof and that one of the parties constituting Assignor may own no interest in one or more of the Assets. Nevertheless, for convenience, this Conveyance has been prepared for execution by all of the parties constituting Assignor and by executing this Conveyance it is the intention of each such party to transfer, assign and convey only such parties' right, title and interest, if any, in and to the Assets.

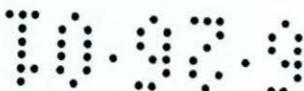
Section 3.07 Recording. To facilitate the recording or filing of this Conveyance, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Assets located in that county. In addition to filing this Conveyance, the parties hereto shall execute and file with the appropriate authorities, whether federal, state or local, all forms or instruments required by applicable law to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such instrument and to the extent that any such instrument conflicts with the terms hereof, the terms and provisions of this Conveyance shall control. The interests conveyed by such separate assignments are the same, and not in addition to the Assets conveyed herein.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



Section 3.08 Contribution Agreement. This Conveyance is subject to all of the terms and conditions of the Contribution Agreement.

Section 3.09 Further Cooperation. After the Effective Time, Assignor agrees to execute and deliver, or cause to be executed and delivered, from time to time and without additional consideration, such further assignments or other instruments of conveyance as may be necessary to evidence the transfer of the Assets to Assignee in the manner contemplated by this Conveyance.

Section 3.10 Description of Properties. Assignor expressly disclaims and negates any warranty as to any acreage description set forth in Exhibit A.

Section 3.11 Limited Warranty of Title - Alabama Properties. The following provisions shall apply only to Properties located in Alabama. Notwithstanding anything in Section 2.01 to the contrary, except as to Assignor's covenant ("Assignor's Implied Covenant Against Certain Incumbrances") that the Properties located in Alabama are free from incumbrances done or suffered by Assignor as created by Section 35-4-271 of the Code of Alabama (1975) by virtue of the use in this Conveyance of the word "grant" "bargain" or "sale" and subject to those Permitted Exceptions set forth below, this Conveyance and the grants made herein are made without warranty of title of any kind whatsoever, express, implied or statutory, and without recourse, even as to the return of the purchase price or other consideration, but with full substitution and subrogation of Assignee, and all persons claiming by, through and under Assignee, to the extent assignable, in and to all covenants and warranties by Assignor's predecessors in title and with full subrogation of all rights accruing under the statutes of limitation or prescription under the laws of Alabama. Except as to Assignor's Implied Covenant Against Certain Incumbrances, all covenants or warranties implied by statute or law by the use of the word "grant," "transfer" or "convey" or other similar words in this Conveyance are hereby expressly restrained, disclaimed, waived and negated. It is the intent of Assignor to convey particular rights in land itself as specifically described in this Conveyance and not just a chance of title. Consequently, except as to Assignor's Implied Covenant Against Certain Incumbrances, this instrument is a conveyance without warranties, as provided herein, and not a quitclaim. Assignor's Implied Covenant Against Certain Incumbrances is expressly subject to the following Permitted Exceptions: (i) all liens for ad valorem taxes hereafter falling due; (ii) all liens for unpaid mineral documentary taxes; (iii) all oil, gas, and other minerals as may have been previously reserved by or conveyed to others; (iv) all titles, claims, rights, security interests, mortgages, and/or liens held by or claims asserted by any person or entity in and to, encumbering, and/or affecting the Properties by virtue of recorded or unrecorded deeds, leases, agreements, mortgages, operating agreements, adverse possession, and/or any other claim of right; (v) all rights of the State of Alabama and/or the United States of America in and to any navigable waterways situated in, on, upon, and/or under the Properties; and/or (vi) boundary line disputes, overlaps, encroachments and any other similar matters to the extent not of record.

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE

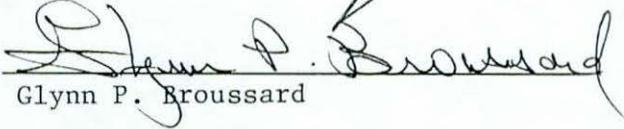


IN WITNESS WHEREOF, this instrument is executed by the parties on the date of their respective acknowledgments below, but shall be effective for all purposes as of the Effective Time.

Witnesses:

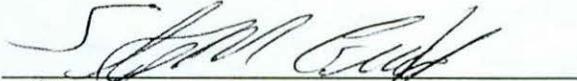


Steven Guidry



Glynn P. Broussard

Witnesses:



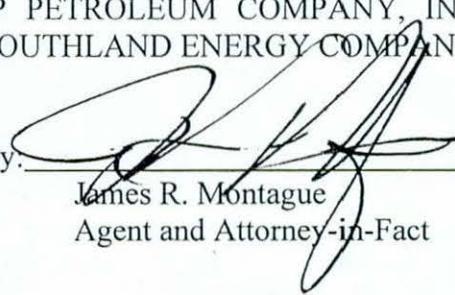
Steven Guidry



Glynn P. Broussard

ASSIGNOR:

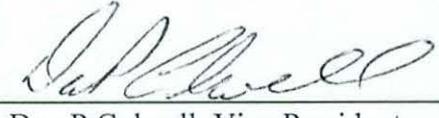
IP PETROLEUM COMPANY, INC. and
SOUTHLAND ENERGY COMPANY

By: 

James R. Montague
Agent and Attorney-in-Fact

ASSIGNEE:

PURE PARTNERS, L.P., by its general
partner Pure Resources I, Inc.

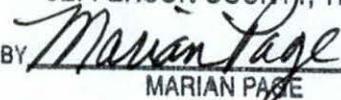
By: 

Dan P. Colwell, Vice President

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY: 

MARIAN PAGE DEPUTY

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

BE IT REMEMBERED, THAT I, the undersigned authority, a notary public duly qualified, commissioned, sworn and acting in and for Harris County, Texas, and being authorized in such county and state to take acknowledgments, hereby certify that, on this 1st day of March, 2001, there personally appeared before me James R. Montague, agent and attorney-in-fact of IP Petroleum Company, Inc., a Delaware corporation, and Southland Energy Company, a Texas corporation, known to me to be such agent and attorney-in-fact, such corporations being a party to the foregoing instrument, and I hereby further certify as follows:

LOUISIANA

On this date before me, the undersigned authority, personally came and appeared James R. Montague, agent and attorney-in-fact of each of IP Petroleum Company, Inc., a Delaware corporation, and Southland Energy Company, a Texas corporation, who signed said document before me in the presence of the two witnesses, whose names are thereto subscribed as such, being competent witnesses, and who acknowledged, in my presence and in the presence of said witnesses, that he signed the above and foregoing document as his own free act and deed on behalf of each of such corporations by authority of its board of directors and as the free act and deed of each of such corporations and for the uses and purposes therein set forth.

FLORIDA,
NEW MEXICO,
NORTH DAKOTA,
OKLAHOMA and
TEXAS

This instrument was acknowledged before me on this day, by James R. Montague, agent and attorney in fact of each of IP Petroleum Company, Inc., a Delaware corporation, and Southland Energy Company, a Texas corporation, on behalf of each of said corporations.

ALABAMA

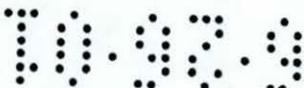
I, the undersigned notary in and for the said county and state, hereby certify that James R. Montague, whose name as the agent and attorney-in-fact of each of IP Petroleum Company, Inc., a Delaware corporation, and Southland Energy Company, a Texas corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such agent and attorney-in-fact and with full authority, executed the same voluntarily, for and as the act of said corporations.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



MISSISSIPPI

Personally appeared before me, the undersigned authority in and for the said county and state, on this day within my jurisdiction, the within named James R. Montague, who acknowledged that he is agent and attorney-in-fact of each of IP Petroleum Company, Inc., a Delaware corporation, and Southland Energy Company, a Texas corporation, and that for and on behalf of each of the corporations, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by each of the corporations so to do.

ARKANSAS

On this day before me, the undersigned notary, personally appeared James R. Montague who acknowledged himself to be the agent and attorney-in-fact of each of IP Petroleum Company, Inc., a Delaware corporation, and Southland Energy Company, a Texas corporation, and that he, as such agent and attorney-in-fact, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of each of the corporations by him as agent and attorney-in-fact.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the City of Houston, Harris County, Texas, on the day and year first above written.



Kathleen M. Philips

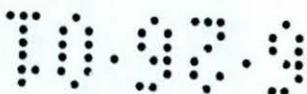
Notary Public in and for
the State of Texas

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE



STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

BE IT REMEMBERED, THAT I, the undersigned authority, a notary public duly qualified, commissioned, sworn and acting in and for Harris County, Texas, and being authorized in such county and state to take acknowledgments, hereby certify that, on this 1st day of March, 2001, there personally appeared before me Dan P. Colwell, Vice President of Pure Resource I, Inc., a Delaware corporation, general partner of Pure Partners, L.P., a Delaware limited partnership, known to me to be such officer, such corporation acting as general partner of such limited partnership being a party to the foregoing instrument, and I hereby further certify as follows:

LOUISIANA

On this date before me, the undersigned authority, personally came and appeared Dan P. Colwell, Vice President of Pure Resources I, Inc., a Delaware corporation, general partner of Pure Partners, L.P., a Delaware limited partnership, who signed said document before me in the presence of the two witnesses, whose names are thereto subscribed as such, being competent witnesses, and who acknowledged, in my presence and in the presence of said witnesses, that he signed the above and foregoing document as his own free act and deed on behalf of such corporation, as general partner of said limited partnership, by authority of its board of directors and as the free act and deed of such corporation, as general partner of said limited partnership, and for the uses and purposes therein set forth.

FLORIDA,
NEW MEXICO,
NORTH DAKOTA
OKLAHOMA and
TEXAS

This instrument was acknowledged before me on this day, by Dan P. Colwell, Vice President of Pure Resources I, Inc., general partner of Pure Partners, L.P., on behalf of said limited partnership.

ALABAMA

I, the undersigned notary in and for the said county and state, hereby certify that Dan P. Colwell, whose name as the Vice President of the above named corporation, as general partner of the above named limited partnership, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Vice President and with full authority, executed the same voluntarily for and as the act of said corporation as general partner of said limited partnership.

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



MISSISSIPPI

Personally appeared before me, the undersigned authority in and for the above named county and state, on this day, within my jurisdiction, the within named Dan P. Colwell, who acknowledged that he is the Vice President of the above named corporation as general partner of the above named limited partnership, and that for and on behalf of such corporation as general partner of said limited partnership, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by the corporation as general partner of said limited partnership so to do.

ARKANSAS

On this day before me, the undersigned notary, personally appeared Dan P. Colwell, who acknowledged himself to be the Vice president of the above named corporation, as general partner of the above named limited partnership and that he, as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, as general partner of the above named limited partnership by his as Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the City of Houston, Harris County, Texas, on the day and year first above written.



Kathleen M. Philips

Notary Public in and for
the State of Texas

THIS DOCUMENT WAS PREPARED BY:

Robin Smith Fredrickson
Vinson & Elkins, L.L.P.
Suite 3300
1001 Fannin Street
Houston, Texas 77002

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE



**EXHIBIT A
TO
ASSIGNMENT, CONVEYANCE AND BILL OF SALE**

PREAMBLE

Exhibit A sets forth information relating to the Leases and, in some cases, Easements and Contracts. In some cases, portions of descriptions on a page of Exhibit A may be crossed out. Such crossed out descriptions are intended to be omitted from this Exhibit A.

1. If Exhibit A references Part I and Part II therein, then the following will apply to such parts:

(a) Leases. Part I of this Exhibit sets forth the lease name, date and recordation information for the Leases and Easements. The following headings and descriptive information appear on each page:

AREA: The information appearing under this column is an internal reference only and is not relevant to the description of the Lease or Easement for purposes of this Exhibit A.

STATE: This column sets forth the abbreviation of the state in which the Lease or Easement is located. If no state is listed on a page, then the instruments described on such page relate to the last preceding state referenced on a preceding page.

PROSPECT NAME: The information appearing under this column is an internal reference only and is not relevant to the description of the Lease or Easement for purposes of this Exhibit A.

PROSPECT NO.: The information appearing under this column is an internal reference only and is not relevant to the description of the Lease or Easement for purposes of this Exhibit A.

COUNTY: This column sets forth the county in which the Lease or Easement is located. If no county is listed on a page, then the instruments described on such page relate to the last preceding county referenced on a preceding page.

LEASE NO.: The information appearing under this column is an internal reference only and not relevant to the description of the Lease or Easement for purposes of this Exhibit A; provided, however, if the last four digits of the Lease No. begins with the number 9, then the reference designates an easement grant.

LEASE NAME: This column sets forth the name of the original lessor or an assignee of the lessor's interest under the Lease or other instrument described.

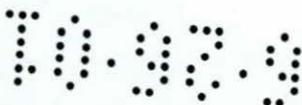
LESSEE NAME: This column sets forth the original lessee or the assignee of the lessee's interest under the Lease or other instrument described.

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JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



DATE: This column sets forth the date of the Lease or other instrument described.

RECORDING BOOK/PAGE/FILE: This column sets forth the county records in which the first page of the instrument creating the Lease or other instrument described is recorded by referencing the number in a recording book and/or the book and page number. In certain instances, however, there is no reference at all to any recording information in the Recording Book /Page/File columns.

NET LEASE ACRES: The information appearing under this column is an internal reference only and is not relevant to the description of the Lease or Easement for purposes of this Exhibit A.

(b) Contracts. Part II of this Exhibit contains a description of the contracts and other agreements that relate to the Leases described in Part I.

CONTRACT NO.: The information appearing under this column is an internal reference only and is not relevant to the description of the Contract for purposes of this Exhibit A.

CONTRACT NAME: This column sets forth certain parties to the Contract (sometimes by abbreviated names) and the date of the Contract.

CONTRACT TYPE: The information appearing in this column is an internal reference only to the type of instrument and is not relevant for purposes of this Exhibit A.

2. If all or a portion of Exhibit A does not reference Part I and Part II therein and lists instruments in the first column on the left side of the page, then the following will apply:

(a) If the instrument identified in the first column on the left side of the page is not "Lease #", then the instrument is a Contract referenced in the body of the Conveyance as being described in Part II of this Exhibit A.

(b) If there is no state and county/parish referenced on any page, then the instruments described on such page relate to the last preceding state and county/parish referenced on a preceding page.

3. If all or a portion of Exhibit A does not reference Part I and Part II therein and lists the lessor in the first column on the left side of the page, then the following will apply:

(a) If there is no state and county/parish referenced on any page, then the instruments described on such page relate to the last preceding state and county/parish referenced on a preceding page.

4. Defined Terms. Capitalized terms used in this Preamble and not otherwise defined herein shall have the meanings ascribed to them in the Assignment and Conveyance.

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE

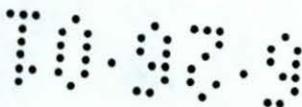


Exhibit "A"

rea : Gulf Coast
 ate : TX

rospect Name : TAYLORS BAYOU
 rospect No. : TX-1128
 ounty : JEFFERSON

art I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
1280001A	JACK B BROOKS	RUTHERFORD OIL CORPORATION	11/13/1998	1999014026	28.8963
1280001B	DAVID J STEWART JR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014027	0.0994
1280001C	R SCOTT GARLAND	RUTHERFORD OIL CORPORATION	12/03/1998	1999014028	0.0229
1280001D	KRISTEN G SLYMAN	RUTHERFORD OIL CORPORATION	12/03/1998	1999014029	0.0229
1280001E	ROBERTA SUSAN MORROW	RUTHERFORD OIL CORPORATION	12/03/1998	1999014030	0.0229
1280001F	ROBERT G GARLAND III	RUTHERFORD OIL CORPORATION	12/16/1998	1999014031	0.0229
1280001G	ROBERT F GARLAND JR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014032	0.0765
1280001H	PAULA B COREY	RUTHERFORD OIL CORPORATION	12/03/1998	1999014033	0.0229
1280001I	JEFFREY M GARLAND	RUTHERFORD OIL CORPORATION	12/03/1998	1999014034	0.0229
1280001J	SANDRA LEE SWICKI	RUTHERFORD OIL CORPORATION	12/03/1998	1999010435	0.0229
1280001K	DAN P GARLAND SR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014036	0.0765
1280001L	DANIEL P GARLAND JR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014037	0.0229
1280001M	BERTHA RENEE NEWELL	RUTHERFORD OIL CORPORATION	12/03/1998	1999014038	0.0229
1280002	TX ST M-100526	RUTHERFORD OIL CORPORATION	04/06/1999	1999021662	36.2500
1280003	SUN OPERATING LIMITED PRSHIP	RUTHERFORD OIL CORPORATION	04/21/1999	1999019685	26.2025
1280004	ALICE ELIZABETH FITZHUGH ET AL	CABOT OIL & GAS CORPORATION	03/17/1997	97-9717211	121.0917
1280005A	RUTH BOWERS GRANDCHILDREN TR	CABOT OIL & GAS CORPORATION	01/18/2000	2000003111	9.3750
1289001	LABELLE PROPERTIES LTD	RUTHERFORD OIL CORPORATION	11/12/1999		0.0000

art II

Contract No.	Contract Name	Contract Type
128ASF001	RUTHERFORD/IPP ASGN 99/07	ASSIGNMENT
128ASF002	RUTHERFORD/STATE OF TEXAS	ASSIGNMENT
128ASF003	RUTHERFORD/IPP ET AL	ASSIGNMENT
128FOA01	RUTHERFORD/CABOT/EOG 0999	FARM-OUT AGREEMENT
128JOA01	RUTHERFORD/IPP JOA 99/07	JOINT OPERATING AGREEMENT
128JOA02	RUTHERFORD/IPP JOA 8/1/00	JOINT OPERATING AGREEMENT
128LA001	RUTHERFORD/LABELLE 99/11	LETTER AGREEMENT
128PRT01	RUTHERFORD/IPP PRT 99/07	PARTICIPATION AGMT ONLY

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 MAY 25 2001

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY TEXAS

BY Marian Page DEPUTY
 MARIAN PAGE

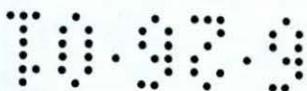


EXHIBIT "B" – EXCLUDED PROPERTIES

1. Subject to the provisions of section 4.08, any Leased Property or associated Contract that is subject to an agreement containing a restriction on assignability (in the form of a consent) listed on pages 2 through 19.

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JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE

10.979

<u>State</u>	<u>County</u>	<u>Prospect</u>	<u>Contract/Lease #</u>
Alabama	Conecuh	East Barnet	AL18730001B
Alabama	Conecuh	East Barnet	AL18730001C
Mississippi	Greene	Smithtown	MS19270016A
Louisiana	Terrebonne	West Deer Island	LA18500001A
Louisiana	Terrebonne	West Deer Island	LA18500002A
Louisiana	Vermilion	SW Leleux	LA19100045
Louisiana	Vermilion	SW Leleux	LA19109001
Louisiana	Vermilion	SW Leleux	LA19109002
Louisiana	Iberville	White Castle	LA21230001
Louisiana	Iberville	White Castle	LA21230040
Louisiana	Iberville	White Castle	LA21239001
Texas	Winkler	Kermit Develo	TX05350115
Texas	Garza	Tufbow	TX05490012
Texas	Garza	Tufbow	TX05490037
Texas	Irion	Andrew A	TX18040001C
Texas	Irion	Andrew A	TX18040002A
Texas	Irion	Andrew A	TX18040003
Texas	Lavaca	SW Provident City	TX19290001A
Texas	Brazoria	SE Chocolate Bayou	TX20110001B
Texas	Chambers	Smithpoint	TX20319003

10.02.0

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 SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY TEXAS
 BY *Marian Page* DEPUTY
 MARIAN PAGE

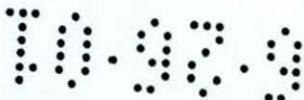
<u>State</u>	<u>County</u>	<u>Prospect</u>	<u>Contract/Lease #</u>
Mississippi	Wayne	Corsica	MS1883 AF-02
New Mexico	Eddy	Brushy Draw North	NM1802 AF-02
Louisiana	Vermilion	South Lake Arthur	LA0329 ASF003
Louisiana	Webster	Springhill North	LA0581 AF03
Louisiana	Webster	Murry Lake	LA0808 AF-01
Louisiana	Webster	Murry Lake	LA0808 AF-02
Louisiana	Webster	Murry Lake	LA0808 ASF001
Louisiana	Webster	Murry Lake	LA0808 ASF002
Louisiana	Webster	Murry Lake Annex	LA0810 AF-01
Louisiana	Webster	Murry Lake Annex	LA0810 AF-02
Louisiana	Webster	Murry Lake South	LA0813 AF-05
Louisiana	Webster	Murry Lake South	LA0813 ASF-01
Louisiana	Webster	Murry Lake South	LA0813 ASF-01
Louisiana	Bossier	Arkana	LA1009 FOA-01
Louisiana	Webster	Springhill South	LA1045 AF-03
Louisiana	Webster	Springhill South	LA1045 ASF-01
Louisiana	Terrebonne	Biscuit Bayou	LA1479 AF-01
Louisiana	Terrebonne	Sunrise	LA1843 AF-02
			LA1843 ASF-01
Louisiana	Offshore	Sabine Pass 12	LA1906JOA01
			LA1906FIA01
Louisiana	Offshore	S Timbalier 212	LA2094JOA02
Louisiana	Offshore	S Timbalier 212	LA2094PUR01
Louisiana	Offshore	S Timbalier 212	LA2094PHA01
Louisiana	Offshore	S Marsh Isl 36 & 37	LA1375FIA-01
Louisiana	Offshore	W Cameron 290	LA1183FIA-01
Louisiana	Offshore	Main Pass 300	LA1160FIA-01
Louisiana	Offshore	Main Pass 301	LA1161FIA-01A
Louisiana	Offshore	Main Pass 301	LA1161FIA-01B
Texas	Palo Pinto	Mingus	TX0558 AF-01
Texas	Yoakum	GTY Heath	TX1524 AF-01
Texas	Lavaca	SW Provident City	TX1929 AF-02
Texas	Offshore	Galveston 394	TX1959FIA01

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MAY 25 2001

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 JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
 MARIAN PAGE



ject Name : CORSICA
 pect No. : MS-1883
 cy : WAYNE

I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
0001A	JEWEL W STANLEY	JAMES E MARTIN	06/22/1994 839 139	23.0833
0001B	KAYE G TUTTLE ET AL	JAMES E MARTIN	06/09/1994 839 135	20.0013
0001C	W W WALLEY	JAMES E MARTIN	06/02/1994 839 168	5.1650
0001D	WILLIAM J WALLER ET AL	JAMES E MARTIN	06/02/1994 839 157	25.5000
0001E	NOLAN CLARK	JAMES E MARTIN	06/23/1994 839 155	11.7858
0001G	VALERIE PLOMMER	JAMES E MARTIN	06/13/1994 839 115	12.4375
0001J	LONNIE W ROGERS JR	JAMES E MARTIN	06/08/1994 839 146	1.2813
0001K	BESSIE S ROGERS	JAMES E MARTIN	06/08/1994 839 144	1.2813
0001N	WENDALL MOODY ET AL	JAMES E MARTIN	06/21/1994 839 165	4.5910
0001O	ANNE STANLEY SPARKMAN	JAMES E MARTIN	06/10/1994 839 127	6.7940
0001P	JOSEPH WAYNE STANLEY	JAMES E MARTIN	06/10/1994 839 129	6.7940
0001Q	THOMAS E STANLEY	JAMES E MARTIN	06/10/1994 839 131	6.7940
0001R	JOHN LESLIE STANLEY	JAMES E MARTIN	06/10/1994 839 133	6.7940
0001S	STANFORD YOUNG ET UX	JAMES E MARTIN	06/10/1994 839 170	2.2956
10001T	STELLA L GIBSON	JAMES E MARTIN	06/13/1994 839 151	2.2956
10002A	ESTELLE D KELCH	JAMES E MARTIN	06/08/1994 839 119	5.0000
10002B	MILDRED D AUTHIER	JAMES E MARTIN	06/08/1994 839 121	5.0000
10002C	EDWARD E AUTHIER	JAMES E MARTIN	06/08/1994 839 125	0.0000
10002D	PATRICIA A MAYEUX	JAMES E MARTIN	06/08/1994 839 123	0.0000
10003	W D MANGUM ET UX	JAMES E MARTIN	06/02/1994 839 142	0.0000
10004A	MASONITE CORPORATION	EDGE JOINT VENTURE II	08/24/1994 845 79	20.0000
10004B	CTC MINERALS INC	GEMINI INTERESTS INC	08/15/1994 845 88	10.0000
10004C	CTC MINERALS INC	GEMINI INTERESTS INC	06/27/1994 842 118	10.0000
10005	U L BUSBY & MRS N D BUSBY	JOHN D GHOLSON	01/14/1944 M 294	20.0000
10006A	VALERIE PLOMMER RUSSENBERGER	HOYT E ADDISON	03/02/1995 861 407	22.5000
10006B	LONNIE W ROGERS JR	HOYT E ADDISON	05/03/1995 861 397	3.7500
10006C	BESSIE S ROGERS	HOYT E ADDISON	08/23/1995 866 103	3.7500
10009A	GRADY HAROLD BEARD	HOYT E ADDISON	01/13/1995 861 482	0.4213
10009B	CHARLES D BEARD	HOYT E ADDISON	01/13/1995 861 480	0.2039
10009C	MARILYN B CAIN	HOYT E ADDISON	01/13/1995 861 478	0.2039
10009D	WILLIAM D BEARD	HOYT E ADDISON	01/13/1995 861 476	0.4641
10009E	KATHERINE B JOHNSON	HOYT E ADDISON	01/13/1995 861 452	0.2039
10009F	NORMAN LEE TYNER	HOYT E ADDISON	01/11/1995 861 438	6.8125
10009G	ALBERT RAY JONES	HOYT E ADDISON	01/11/1995 861 432	3.8804
10009H	MELVIN JONES	HOYT E ADDISON	01/11/1995 861 428	1.3343

II

Contract No.	Contract Name	Contract Type
1ASF001	EDGE/IPP ASF 94/09/29	ASSIGNMENT
1ASF002	EDGE/IPP ASF 94/11/16	ASSIGNMENT
1ASF003	EDGE/IPP ASF 95/08/25	ASSIGNMENT
1ASF004	EDGE/IPP ETAL ASF 96/5/2	ASSIGNMENT
1ASF005	IPP/PETROCORP ASF 97/03	ASSIGNMENT
1JOA01	PETROCOR/IPP JOA 94/08/15	JOINT OPERATING AGREEMENT

I CERTIFY THIS IS A TRUE COPY
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 SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS
 BY Marian Page DEPUTY
 MARIAN PAGE



ect Name : BRUSHY DRAW NORTH
 ect No. : NM-1802
 Y : EDDY

I

No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
1001	USA NM 54290	ESTHER R SMITH	02/01/1983	60.0000
1003	ST NM VB 0433	SOUTHWEST ROYALTIES INC	12/01/1994 510 157	40.0000

II

Contract No.	Contract Name	Contract Type
ASF001	SW ROY/IPP ASF 93/03/25	ASSIGNMENT
ASF002	SW ROY/CHARUK ASF 93/6/1	ASSIGNMENT
ASF003	SW ROY/CHARUK ASF 93/6/1	ASSIGNMENT
ASF004	EXXON/SW ROY ASF 93/07/01	ASSIGNMENT
ASF005	SW ROY/IPP ASF 93/07/01	ASSIGNMENT
ASF006	SW ROY/IPP ET AL 93/09/23	ASSIGNMENT
ASF007	SW ROY/IPP ASF 93/09/23	ASSIGNMENT
ASF008	SW ROY/IPP ET AL 94/09	ASSIGNMENT
ASF009	SW ROY/IPP ETAL ASF 95/07	ASSIGNMENT
ASF010	SW ROY/IPP ETAL ASF 95/07	ASSIGNMENT
ASF011	SW ROY/IPP ETAL ASF 95/07	ASSIGNMENT
1FIA01	EXXON/CHENEY FIA 92/12/23	FARM-IN AGREEMENT
1FIA02	POGO/SW ROY FIA 93/04/22	FARM-IN AGREEMENT
1FIA03	YATES ETAL/SWR FIA 93/12	FARM-IN AGREEMENT
2JOA01	SW ROYAL/IPP JOA 93/01/01	JOINT OPERATING AGREEMENT

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
 MARIAN PAGE

10.00.00

.....
 ospect Name : LAKE ARTHUR SOUTH
 ospect No. : LA-0329
 unty : VERMILION

rt I

ase No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
290015A	WHITNEY CHAMPAGNE ET UX	LYONS HILLIARD & WATSON INC	02/04/1986	0 8601519	7.2505
290025	ST LA 12605	FIRST ENERGY CORP	09/15/1986	8611743	3.7555
290037	BESSIE SONNIER LEJEUNE ET AL	CELERON OIL & GAS COMPANY	05/11/1983	0 8303493	5.1395
290038	CLARENCE G GLENN ET AL	HUNT OIL COMPANY	05/02/1983	0 8303428	0.2020

rt II

Contract No.	Contract Name	Contract Type
129ASF001	FEC/IPP ASF 90/01/31	ASSIGNMENT
129ASF002	CELERON/IPP ASF 87/07/25	ASSIGNMENT
129ASF003	CELERON/IPP ASF 87/07/25	ASSIGNMENT
129FIA01	NWM H-1982/FEC FIA 87/9/9	FARM-IN AGREEMENT
129FIA03A	LYONS/FEC FIA 86/09/17	FARM-IN AGREEMENT
129JOA01	FEC/CELERON JOA 86/07/01	JOINT OPERATING AGREEMENT
129JOA03	FEC/IPP JOA 89/03/22	JOINT OPERATING AGREEMENT
129JOA04	HUNT/IPP JOA 90/02/27	JOINT OPERATING AGREEMENT
129JOA05	SANDEFER/IPP JOA (DUMMY)	JOINT OPERATING AGREEMENT
129JOA06	SANDEFER/IPP JOA 87/11/29	JOINT OPERATING AGREEMENT
129LAW01	HUNT/FEC LAW 90/03/23	LAWSUIT
129LAW02	TEX CON/COMM. LAW 90/9/13	LAWSUIT
129LAW03	HUNT/COMM. LAW 91/01/16	LAWSUIT
129LAW04	EPOCH/FEC LAW 88/06/13	LAWSUIT
129LAW05	SONNIER/ESTESS LAW 91/12	LAWSUIT
129LAW06	ABSHIRE/IPP LAW 92/10/19	LAWSUIT
129UNT01A	L MIOGY RA UNT 87/08/25	UNITIZATION OR POOLING AGMT
129UNT01B	BOUDREAUX #1 UNT 89/10/18	UNITIZATION OR POOLING AGMT
129UNT02A	MIOGY RA/RB UNT 86/05/01	UNITIZATION OR POOLING AGMT
129UNT02B	MIDD MIOGY RA UNT 89/10	UNITIZATION OR POOLING AGMT
129UNT02C	MARCEAUX/SONNIER UNT	UNITIZATION OR POOLING AGMT
129UNT03	GLENN #5 UNT 89/10/18	UNITIZATION OR POOLING AGMT

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 JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
 MARIAN PAGE



.....
 Prospect Name : MURRAY LAKE
 Prospect No. : LA-0808
 County : WEBSTER

Part I

Case No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
3080001A	WINONA C EASON	STEPHEN O SMITH & ASSOCIATES	07/03/1986 652 138 328477	0.1528
3080001B	CHARLES W CLANTON	STEPHEN O SMITH & ASSOCIATES	07/03/1986 653 243 328858	0.1528
3080001C	MARVIN C CLANTON	STEPHEN O SMITH & ASSOCIATES	07/03/1986 653 239 328857	0.0136
3080001D	DONALD B GRAFTON ET AL	STEPHEN O SMITH & ASSOCIATES	07/14/1986 652 125 328474	0.4588
3080001E	WILBURN A SLACK ET AL	STEPHEN O SMITH & ASSOCIATES	06/09/1986 651 45 327939	1.3763
3080001F	RALPH H RIGGS ET UX	STEPHEN O SMITH & ASSOCIATES	12/25/1985 651 54 327942	1.0482
3080001G	MARY DICKSON STEWART	STEPHEN O SMITH & ASSOCIATES	12/25/1985 651 41 327938	3.0195
3080001H	THOMAS E SLACK	STEPHEN O SMITH & ASSOCIATES	09/17/1985 651 37 327937	1.6663
3080001I	ROBERT V SLACK	STEPHEN O SMITH & ASSOCIATES	09/10/1985 651 29 327935	3.3325
3080001J	ELIZABETH SLACK TUMLIN	STEPHEN O SMITH & ASSOCIATES	09/12/1985 651 61 327943	1.6663
3080001K	MILDRED N BECK	STEPHEN O SMITH & ASSOCIATES	02/28/1986 652 138 328476	0.4558
3080001L	ELIZABETH SLACK TUMLIN	STEPHEN O SMITH & ASSOCIATES	02/24/1986 651 49 327940	0.4167
3080001M	RALPH H RIGGS ET UX	STEPHEN O SMITH & ASSOCIATES	02/28/1986 651 65 327944	0.5475
3080001N	ROBERT V SLACK	STEPHEN O SMITH & ASSOCIATES	02/24/1986 651 33 327936	2.5000
3080001O	THOMAS E SLACK	STEPHEN O SMITH & ASSOCIATES	02/27/1986 651 53 327941	1.2500
3080001P	MARY DICKSON STEWART	STEPHEN O SMITH & ASSOCIATES	03/05/1986 652 138 328475	1.5156
3080002A	SUE P OAKLEY ET AL	STEPHEN O SMITH & ASSOCIATES	04/03/1987 0 338021	4.5838
3080002B	DAVID SABIN FOR MINOR J SABIN	STEPHEN O SMITH & ASSOCIATES	10/30/1987 0 342405	0.4163
3090003	INTERNATIONAL PAPER COMPANY	IP PETROLEUM CO INC	07/05/1979 521 466	132.7270

Part II

Contract No.	Contract Name	Contract Type
3080ASF001	MOBIL/IPP ASF 86/02/21	ASSIGNMENT
3080ASF002	MOBIL/IPP ASF 86/03/24	ASSIGNMENT
3080ASF003	TMR/IPP ASF 86/08/01	ASSIGNMENT
3080ASF004	SMITH/IPP ASF 86/08/19	ASSIGNMENT
3080ASF005	SMITH/IPP ASF 87/04/11	ASSIGNMENT
3080ASF006	MOBIL/IPP ASF 87/08/26	ASSIGNMENT
3080ASF007	SMITH/IPP ASF 87/09/30	ASSIGNMENT
3080ASF008	SMITH/IPP ASF 87/10/30	ASSIGNMENT
3080ASF009	SMITH/IPP ASF 88/02/03	ASSIGNMENT
3080ASF010	MOBIL/IPP ASF 88/03/07	ASSIGNMENT
3080COP01	IPP/CRYSTAL COP 84/12/15	CALL ON PRODUCTION AGMT
3080FIA01	CRYSTAL/MOBIL FIA 84/12	FARM-IN AGREEMENT
3080FOA01	MOBIL/TMR FOA 86/01/24	FARM-OUT AGREEMENT

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
 MARIAN PAGE



Area : Gulf Coast

State : LA

0808JOA01A

TMR/IPP JOA 86/03/29

JOINT OPERATING AGREEMENT

0808JOA01B

TMR/IPP JOA 86/03/29

JOINT OPERATING AGREEMENT

0808JOA02

TMR/IPP JOA 88/04/29

JOINT OPERATING AGREEMENT

0808LAW01

IPP ETAL/SLACK LAW 93/11

LAWSUIT

0808PRT01

PENNZOIL/IPP PRT 87/10/30

PARTICIPATION AGMT ONLY

Prospect Name : MURRAY LAKE ANNEX

Prospect No. : LA-0810

County : WEBSTER

Part I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
08100001A	PLACID OIL COMPANY ET AL	TMR OIL & GAS EXPLORATION	04/02/1987	343747	2.7038
08100001B	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	04/02/1987	347498	0.5462
08100002A	PLACID OIL COMPANY ET AL	TMR OIL & GAS EXPLORATION	05/18/1987	0 343751	2.7038
08100002B	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	05/18/1987	0 347499	0.5462
08100003A	PLACID OIL COMPANY ET AL	TMR OIL & GAS EXPLORATION	06/19/1987	0 343755	2.7038
08100003B	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	06/19/1987	0 347500	0.5462
08100004A	PLACID OIL COMPANY ET AL	TMR OIL & GAS EXPLORATION	06/05/1987	0 343759	2.7038
08100004B	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	06/05/1987	0 347501	0.5462
08100005A	PLACID OIL COMPANY ET AL	TMR OIL & GAS EXPLORATION	07/13/1987	0 343763	2.7038
08100005B	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	07/13/1987	0 347502	0.5462
08100006A	PLACID OIL COMPANY ET AL	TMR OIL & GAS EXPLORATION	07/01/1987	0 343767	2.7038
08100006B	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	07/01/1987	0 347503	0.5462
08100007A	PLACID OIL COMPANY	TMR OIL & GAS EXPLORATION	11/06/1987	0 346545	2.0893
08100007B	ROSEWOOD RESOURCES INC	TMR OIL & GAS EXPLORATION	07/18/1987	0 346546	0.6144
08100007C	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	07/18/1987	0 347504	0.5462
08100008A	PLACID OIL COMPANY	TMR OIL & GAS EXPLORATION	12/22/1987	0 346549	2.0893
08100008B	ROSEWOOD RESOURCES INC	TMR OIL & GAS EXPLORATION	11/04/1987	0 346550	0.6144
08100008C	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	11/05/1987	0 347505	0.5462
08100009A	PLACID OIL COMPANY	TMR OIL & GAS EXPLORATION	01/26/1988	0 346553	2.0893
08100009B	ROSEWOOD RESOURCES INC	TMR OIL & GAS EXPLORATION	11/04/1987	0 346554	0.6144
08100009C	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	11/04/1987	0 347506	0.5462
08100010A	PLACID OIL COMPANY	TMR OIL & GAS EXPLORATION	02/04/1988	0 346557	2.0893
08100010B	ROSEWOOD RESOURCES INC	TMR OIL & GAS EXPLORATION	08/19/1987	0 346558	0.6144
08100010C	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	08/19/1987	0 347507	0.5462
08100011A	PLACID OIL COMPANY	TMR OIL & GAS EXPLORATION	10/20/1987	0 346561	2.0893
08100011B	ROSEWOOD RESOURCES INC	TMR OIL & GAS EXPLORATION	08/19/1987	0 346562	0.6144
08100011C	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	08/19/1987	0 347508	0.5462
08100012A	PLACID OIL COMPANY	TMR OIL & GAS EXPLORATION	02/03/1988	0 346565	2.0893
08100012B	ROSEWOOD RESOURCES INC	TMR OIL & GAS EXPLORATION	12/03/1987	0 346566	0.6144
08100012C	HUNT PETROLEUM CORPORATION	TMR OIL & GAS EXPLORATION	12/03/1987	0 347509	0.5462

Part II

Contract No.	Contract Name	Contract Type
0810ASF001	TMR/IPP ASF 88/09/29	ASSIGNMENT
0810ASF002	TMR/TURNER ASF 90/07/31	ASSIGNMENT
0810COP01	IPP/HUNT 86/04/14	CALL ON PRODUCTION AGMT
0810COP02	IPP/PLACID ETAL COP 86/4	CALL ON PRODUCTION AGMT
0810FIA01	HUNT/TMR FIA 86/04/14	FARM-IN AGREEMENT
0810FIA02	PLACID/TMR FIA 86/04/25	FARM-IN AGREEMENT
0810JOA01	TMR/IPP JOA 86/03/05	JOINT OPERATING AGREEMENT
0810UNT01	PLACID #2 UNT 87/04/02	UNITIZATION OR POOLING AGMT
0810UNT02	PLACID #3 UNT 87/05/18	UNITIZATION OR POOLING AGMT
0810UNT03	PLACID #4 UNT 87/06/19	UNITIZATION OR POOLING AGMT
0810UNT04	TMR/PLACID 87/06/05	UNITIZATION OR POOLING AGMT
0810UNT05	PLACID #6 UNT 87/07/13	UNITIZATION OR POOLING AGMT
0810UNT06	TMR/PLACID	UNITIZATION OR POOLING AGMT
0810UNT08	PLACID #9 UNT 87/07/18	UNITIZATION OR POOLING AGMT
0810UNT09	PLACID #11 UNT 87/11/04	UNITIZATION OR POOLING AGMT
0810UNT10	TMR/PLACID 87/11/04	UNITIZATION OR POOLING AGMT
0810UNT11	PLACID #13 UNT 87/08/19	UNITIZATION OR POOLING AGMT
0810UNT12	PLACID #14 UNT 87/08/19	UNITIZATION OR POOLING AGMT
0810UNT13	PLACID #15 UNT 87/12/03	UNITIZATION OR POOLING AGMT

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE



Prospect Name : MURRAY LAKE SOUTH
 Prospect No. : LA-0813
 County : WEBSTER

Part I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
08130001	PENNZOIL EXPLORATION & PRODUCT	TMR OIL & GAS EXPLORATION	10/08/1990	0 362617	6.2500
08130002	PENNZOIL EXPLORATION & PRODUCT	TMR OIL & GAS EXPLORATION	10/08/1990	0 362615	6.2500
08130003	PENNZOIL EXPLORATION & PRODUCT	TMR OIL & GAS EXPLORATION	05/06/1991	753 252 366810	6.2500
08130004	PENNZOIL EXPLORATION & PRODUCT	TMR OIL & GAS EXPLORATION	05/06/1991	753 255 366811	6.2500
08130005	PENNZOIL EXPLORATION & PRODUCT	TMR OIL & GAS EXPLORATION	05/06/1991	753 258 366812	6.2500
08130006	PENNZOIL EXPLORATION & PRODUCT	TMR EXPLORATION INC	05/16/1991	757 204 368164	6.2500

Part II

Contract No.	Contract Name	Contract Type
0813ASF001	PENN/TMR ASF 90/10/08	ASSIGNMENT
0813ASF002	PENN/TMR ASF 90/10/08	ASSIGNMENT
0813ASF003	TMR/IPP ASF 91/06/17	ASSIGNMENT
0813ASF004	TMR/IPP ASF 91/06/17	ASSIGNMENT
0813ASF005	TMR/IPP ETAL ASF 91/5/25	ASSIGNMENT
0813COP01	IPP/PENNZOIL COP 90/10/3	CALL ON PRODUCTION AGMT
0813FIA01	PENN/TMR FIA 90/10/03	FARM-IN AGREEMENT
0813JOA01A	TMR/IPP JOA 90/10/01	JOINT OPERATING AGREEMENT
0813JOA01B	TMR/IPP JOA 90/10/01	JOINT OPERATING AGREEMENT
0813JOA01C	TMR/IPP JOA 90/10/01	JOINT OPERATING AGREEMENT
0813JOA01D	TMR/IPP JOA 90/10/01	JOINT OPERATING AGREEMENT
0813PRT01	PENN/TMR PRT 87/10/30	PARTICIPATION AGMT ONLY

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 JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
 MARIAN PAGE

10.000

Prospect Name : ARKANA FIELD
Prospect No. : LA-1009
County : BOSSIER

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
0090001A	INTERNATIONAL PAPER COMPANY	IP PETROLEUM CO INC	07/05/1979 636 490	1.5656

Part II

Contract No	Contract Name	Contract Type
009ASF01	MOBIL/CRYSTAL ASF 3/1/80	ASSIGNMENT
009ASF02	IPP/CRYSTAL ASF 3/1/80	ASSIGNMENT
009ASF03	IPP/CRYSTAL ASF 12/12/80	ASSIGNMENT
009ASF04	MOBIL/CRYSTAL AS 12/16/80	ASSIGNMENT
009ASF05	IPP/CRYSTAL ASF 12/16/80	ASSIGNMENT
009ASF06	MOBIL/CRYSTAL ASF 3/7/81	ASSIGNMENT
009ASF07	IPP/CRYSTAL ASF 3/7/81	ASSIGNMENT
009ASF08	IPP/CRYSTAL ASF 12/12/80	ASSIGNMENT
009ASF09	IPP/CRYSTAL ASF 8/21/81	ASSIGNMENT
009ASF10	MOBIL/CRYSTAL ASF 8/21/81	ASSIGNMENT
009FOA01	IPP/CRYSTAL FOA 3/18/80	FARM-OUT AGREEMENT
009FOA03	IPP/CRYSTAL FOA 1/30/81	FARM-OUT AGREEMENT
009JOA01	CRYSTAL/IPP JOA 9/24/81	JOINT OPERATING AGREEMENT
009UNIT01	CONSERVATION ORDER 329-C	UNITIZATION OR POOLING AGMT

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JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE

10030

Project Name : SPRINGHILL SOUTH
Project No. : LA-1045
County : WEBSTER

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
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Part II

Contract No.	Contract Name	Contract Type
45ASF001	MOEPSI/IPP ASF 85/12/04	ASSIGNMENT
45FIA01	MOEPSI/IPP FIA 85/10/18	FARM-IN AGREEMENT
45JOA01A	TMR/IPP JOA 85/10/22	JOINT OPERATING AGREEMENT
45JOA01B	TMR/IPP JOA 85/10/22	JOINT OPERATING AGREEMENT

11 of 19

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JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE

10.00.0

Prospect Name : BISCUIT BAYOU
 Prospect No. : LA-1479
 County : TERREBONNE

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
4790002	CONTINENTAL LAND & FUR CO INC	CORUM PRODUCTION COMPANY	07/31/1991 1290 0 886056	17.3591
4790003	CONTINENTAL LAND & FUR CO INC	CORUM PRODUCTION COMPANY	08/03/1992 1332 0 903491	10.7048
4790004	CONTINENTAL LAND & FUR CO INC	THE TEXAS COMPANY	02/21/1952 186 647 108300	48.0000

Part II

Contract No.	Contract Name	Contract Type
479ASF001	CORUM/IPP ASF 92/06/12	ASSIGNMENT
479ASF002	CORUM ETAL/LLOG ASF 93/08	ASSIGNMENT
479ASF003	MOBIL/CORUM ASF 92/10/21	ASSIGNMENT
479ASF004	CORUM/IPP ASF 92/10/21	ASSIGNMENT
479ASF005	BOIS D'ARC/IPP ASF 93/8/4	ASSIGNMENT
479ASF006	CORUM/IPP ASF 94/08/03	ASSIGNMENT
479ASF007	IPP/MOEPSI ASF 94/07/20	ASSIGNMENT
479COP01	IPP/MOBIL COP 90/9/24	CALL ON PRODUCTION AGMT
479FIA01	MOBIL/CORUM FIA 90/09/24	FARM-IN AGREEMENT
479JOA01A	CORUM/IPP JOA 92/04/01	JOINT OPERATING AGREEMENT
479JOA01B	CORUM/IPP JOA 92/04/01	JOINT OPERATING AGREEMENT
479JOA01C	CORUM ETAL/LLOG JOA 93/08	JOINT OPERATING AGREEMENT
479JOA01D	CORUM/IPP JOA 92/04/01	JOINT OPERATING AGREEMENT
479JOA02	BOIS D'ARC/IPP JOA 93/06	JOINT OPERATING AGREEMENT
479JOA03	CASTEX/IPP ETAL JOA 98/04	JOINT OPERATING AGREEMENT
479UNT01	CL&F/LLOG ETAL UNIT 93/02	UNITIZATION OR POOLING AGMT

Prospect Name : SUNRISE FIELD
 Prospect No. : LA-1843
 County : TERREBONNE

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
18430001C	CANAL BANK & TRUST COMPANY	SUPERIOR OIL COMPANY	04/26/1954 209 182 131733	3.4706
18430001D	SOUTHDOWN SUGARS INC	SUPERIOR OIL COMPANY	03/31/1954 207 249 129995	366.7345
18430001E	ENERGY DEVELOPMENT CORPORATION	IP PETROLEUM CO INC	05/31/2000 1708 1080787	3.0297

Part II

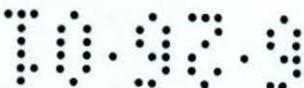
Contract No.	Contract Name	Contract Type
1843ASF001	PHILLIPS/IPP ASF 96/11/15	ASSIGNMENT
1843COP01	IPP/MOBIL COP 94/1/14	CALL ON PRODUCTION AGMT
1843FOA01A	IPP/MOBIL ETAL FOA 94/01/	FARM-OUT AGREEMENT
1843FOA01B	IPP/MOBIL ETAL FOA 94/01/	FARM-OUT AGREEMENT
1843FOA01C	IPP/MOBIL ETAL FOA 94/01/	FARM-OUT AGREEMENT
1843JOA01A	IPP/HED ETAL JOA 94/01/14	JOINT OPERATING AGREEMENT
1843JOA01B	IPP/HED ETAL JOA 94/01/14	JOINT OPERATING AGREEMENT
1843JOA01C	IPP/HED ETAL JOA 94/01/14	JOINT OPERATING AGREEMENT
1843LA01	OWCOETAL/IPPETAL LA 95/12	LETTER AGREEMENT
1843OPR01	IPP/PHILLIPS OPR	OPERATIONS AGREEMENT
1843PRT01	DRLG PRTRNS/IPP PRT 94/05	PARTICIPATION AGMT ONLY
1843UNT01	IPP\LA429-B3 UNT 95/03/28	UNITIZATION OR POOLING AGMT

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 JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
 MARIAN PAGE



Aspect Name : MINGUS
Aspect No. : TX-0558
County : PALO PINTO

Part I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
580001A	ROBBIE M DERR	SUN OPERATED LMTD PARTNERSHIP	07/29/1986	677 470	5.2500
580001B	KATHERINE RUTHERFORD	SUN OPERATED LMTD PARTNERSHIP	07/29/1986	677 475	5.2500
580001C	ROBERT D BEARDEN ET AL	SUN OPERATED LMTD PARTNERSHIP	01/27/1987	684 736	9.5000
580001D	FRANK BRENT ET UX	SUN COUNTRY DRLG & EXPL INC	05/01/1984	631 737	0.2600
580001E	AGNES M MESSIMER	SUN COUNTRY DRLG & EXPL INC	02/27/1984	621 658	56.7500
580001G	PALO PINTO COUNTY PCT NO 3	SUN OPERATED LMTD PARTNERSHIP	08/31/1987	708 859 4232	0.1725
580001H	JULIAN RUIZ ET UX	SUN OPERATED LMTD PARTNERSHIP	07/14/1988	708 864 4233	0.1000
580001I	GENEVA JOSEPHINE SPRATT	SUN OPERATED LMTD PARTNERSHIP	01/24/1989	717 158	0.0633
580001J	JOHN S SPRATT JR	SUN OPERATED LMTD PARTNERSHIP	10/11/1988	714 240	0.0148
580001K	THOMAS L SPRATT	SUN OPERATED LMTD PARTNERSHIP	10/11/1988	713 154	0.0148
580001L	W A LAYMAN	SUN OPERATED LMTD PARTNERSHIP	10/14/1988	713 230	0.0878
580001M	F F F CORPORATION	SUN OPERATED LMTD PARTNERSHIP	02/23/1989	719 456	1.0925
580001N	LAVERNE H GORDON	SUN OPERATED LMTD PARTNERSHIP	10/13/1988	713 806	0.2505
580002A	AGNES M MESSIMER	JORDAN & MCCOLLUM INC	05/20/1986	668 725	40.0000
580002B	FRANK BRENT ET UX	JORDAN & MCCOLLUM INC	04/29/1986	668 719	40.0000
580003A	URBANE E TRAVIS ET UX	SUN EXPLORATION & PRODUCTION	11/12/1985	660 339	5.6675
580003A	T B LAYNE	SUN OPERATED LMTD PARTNERSHIP	01/24/1990	713 868	0.2815
580003B	PAULINE S WILLIAMSON ET VIR	SUN EXPLORATION & PRODUCTION	11/12/1985	660 245	8.5000
580003C	WILLS L COX	SUN OPERATED LMTD PARTNERSHIP	02/06/1986	662 142	11.3325
580003D	NINA G FROST ET AL	SUN EXPLORATION & PRODUCTION	11/20/1985	661 108	8.5000
580003E	RICHARD ALLEN KENNEDY	TERRY J ROUTH	05/05/1987	708 869 4234	0.2600
580003G	R L MINTER JR ET UX	TERRY J ROUTH	05/06/1987	708 879 4236	0.1800
580003H	JACK B KENNEDY ET UX	TERRY J ROUTH	05/05/1987	708 884 4237	0.1300
580003I	LEE MARTIN ET UX	TRIO INC	06/13/1987	691 589	0.3312
580003J	CHARLES ROACH ET UX	SUN OPERATED LMTD PARTNERSHIP	06/10/1987	708 893 4239	0.1000
580003K	ANNA G BLUE	SUN OPERATED LMTD PARTNERSHIP	06/10/1987	708 898 4240	0.1000
580003L	GEORGE NOWAK ET UX	SUN OPERATED LMTD PARTNERSHIP	06/02/1987	708 903 4241	0.4225
580003N	CALLIE J ARCHER	TERRY J ROUTH	05/06/1987	708 943 4249	0.0300
580003P	FRANK BIELINSKI ET UX	TERRY J ROUTH	05/10/1987	708 889 4238	0.4325
580003Q	HELEN SLEMMONS RECEIVER	SUN OPERATED LMTD PARTNERSHIP	09/04/1987	708 849	2.9875
580003R	E M CAMFIELD	SUN OPERATED LMTD PARTNERSHIP	11/20/1989	729 266	0.5046
580003S	MARY YOUNG	SUN OPERATED LMTD PARTNERSHIP	03/31/1989	719 15	0.1585
580003T	WILLIAM J BAKER	SUN OPERATED LMTD PARTNERSHIP	03/31/1989	719 3	0.0570
580003U	DAVID CHAMBERLAIN ET UX	SUN OPERATED LMTD PARTNERSHIP	03/15/1989	718 441	0.3264
580003V	LILLIE BAKER	SUN OPERATED LMTD PARTNERSHIP	03/09/1989	719 27	0.3413
580003W	CITY OF MINGUS	SUN OPERATED LMTD PARTNERSHIP	07/19/1989	727 930	0.9000
580003Y	MYRON W SHAFFER ET UX	SUN OPERATED LMTD PARTNERSHIP	03/09/1989	717 749	0.1445
580003Z	IMOGENE K HORNBACK	SUN OPERATED LMTD PARTNERSHIP	03/08/1989	717 762	0.1445
580004	ALBERT RECK INDV & EXECUTOR	SUN OPERATED LMTD PARTNERSHIP	01/02/1986	663 104	0.5000
580005	FRANK J KOSTIHA ET UX	SUN EXPLORATION & PRODUCTION	11/27/1985	660 351	6.5035
580006	SUN OPER LTD	GCO DRILLING COMPANY	06/11/1986	669 770	67.8675
580007	SUN OPER LTD	GCO DRILLING COMPANY	06/11/1986	669 778	42.6000
580008	SUN OPER LTD	GCO DRILLING COMPANY	06/11/1986	669 786	40.0000
580010	RAYMOND E DERR	SUN OPERATED LMTD PARTNERSHIP	12/11/1985	660 760	8.0600
580011B	FANNIE MAE WELLS	SUN OPERATED LMTD PARTNERSHIP	05/12/1987	708 913 4243	0.2914
580011F	PEGGY S WILSON STROMSODT	SUN OPERATED LMTD PARTNERSHIP	05/29/1987	708 933 4247	0.0324

Part II

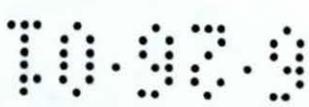
Contract No.	Contract Name	Contract Type
58ASF001	SUN/GCO ASF 86/06/11	ASSIGNMENT
58ASF002	SUN/GCO ASF 86/11/18	ASSIGNMENT
58ASF003	SUN/GCO ASF 87/07/21	ASSIGNMENT
58ASF004	SUN/GCO ASF 87/06/08	ASSIGNMENT
58ASF005	SUN/GCO ASF 89/02/14	ASSIGNMENT
58JOA01	SUN/GCO JOA 86/05/05	JOINT OPERATING AGREEMENT
58UNT01	FERGUSON MINGUS UNT 87/09	UNITIZATION OR POOLING AGMT

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE



.....
 Prospect Name : GTY HEATH
 Prospect No. : TX-1524--
 County : YOAKUM

Part I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
240001A	ALVIS T CARTER ET AL	EEX CORPORATION	07/01/1988	34 543 171980	26.2609
240001AA	BILLIE ANNE HAMILTON CONLEY	EEX CORPORATION	03/20/1991	77 164 183274	0.0684
240001AB	DONALD RICHARD HAYES	EEX CORPORATION	03/21/1991	77 166 183275	0.0913
240001AC	E POSTON HAMILTON III	EEX CORPORATION	03/20/1991	77 371 183362	0.0684
240001AD	JAMES E RAMIG ET UX	EEX CORPORATION	03/25/1991	77 720 183465	0.2738
240001AE	HELEN FARRINGTON MCLELAND	EEX CORPORATION	03/21/1991	78 706 183736	0.0913
240001AF	NORMA FARRINGTON HUNT ET AL	EEX CORPORATION	03/20/1991	78 764 183746	0.0913
240001AG	MARGE SPARKS MCAULIFF BY AIF	EEX CORPORATION	06/11/1991	78 767 183747	0.7301
240001AH	JACK MCAULIFF ET AL	EEX CORPORATION	06/11/1991	78 769 183748	0.7301
240001AI	JUDY WALDEN	EEX CORPORATION	08/05/1991	82 487 184632	0.2738
240001AJ	DUANE HARDIN YOUNG	EEX CORPORATION	09/05/1991	83 208 184835	1.0951
240001B	FRIEDA J SPECK	EEX CORPORATION	06/30/1988	34 541 171979	13.1305
240001C	GLORIA A COTTRELL ESTATE	EEX CORPORATION	07/14/1988	35 18 172100	13.1305
240001D	CATHIE CONE AUVENSHINE	EEX CORPORATION	03/20/1991	77 168 183276	7.0000
240001E	TOM R CONE	EEX CORPORATION	03/21/1991	77 172 183277	7.0000
240001F	KENNETH G CONE	EEX CORPORATION	04/24/1991	77 176 183278	1.7500
240001G	D C CONE TRUST	EEX CORPORATION	04/26/1991	77 178 183279	1.7500
240001H	CLIFFORD CONE	EEX CORPORATION	04/26/1991	77 180 183280	1.7500
240001I	MARIE ERANHAM	EEX CORPORATION	06/01/1988	32 61 171205	14.0000
240001J	PATRICIA LUCILLE ELAM	EEX CORPORATION	06/01/1988	32 63 171206	3.5000
240001K	MARY BELLE RICH	EEX CORPORATION	06/01/1988	32 65 171207	14.0000
240001L	EFFIE MAE MARTIN ET AL	EEX CORPORATION	06/01/1988	32 67 171208	14.0000
240001M	MARGARET LOUISE KNIGGE	EEX CORPORATION	06/01/1988	32 69 171209	3.5000
240001N	LULA MAE WOLFE	EEX CORPORATION	06/01/1988	32 72 171210	14.0000
240001O	ROBERT FRANK MARTIN	EEX CORPORATION	06/01/1988	34 547 171982	3.5000
240001P	MARY RUTH WHITAKER	EEX CORPORATION	06/01/1988	34 533 171976	3.5000
240001Q	DELAJANE YATES ROWLAND	EEX CORPORATION	06/17/1988	34 549 171983	5.4756
240001R	HELEN COPE NORRIS ET VIR	EEX CORPORATION	06/17/1988	34 551 183285	5.4756
240001S	BEN B THIGPEN ET UX	EEX CORPORATION	07/22/1988	34 535 171977	17.6588
240001T	PATSY RUTH DAVIS ET VIR	EEX CORPORATION	07/22/1988	34 537 183104	17.6588
240001U	TALFORD G SMITH JR	EEX CORPORATION	03/20/1991	76 520 183106	0.3651
240001V	JANET HOLBROOK HARDY	EEX CORPORATION	03/19/1991	76 522 183107	0.7301
240001W	NORMA SMITH ALDER	EEX CORPORATION	03/20/1991	77 369 183361	0.3651
240001X	GERALDINE HAMILTON PETTY	EEX CORPORATION	03/20/1991	76 524 183108	0.1369
240001Y	MARGARET SMITH GRAHAM	EEX CORPORATION	03/20/1991	76 518 183105	0.3651
240001Z	STRAUSS MORGAN FARRINGTON	EEX CORPORATION	03/25/1991	77 161 183273	0.2738
240002E	TONY W ARTHUR	EEX CORPORATION	12/04/1990	85 556 185388	23.3771
240002F	MARVIN L ARTHUR JR	EEX CORPORATION	12/04/1990	85 554 185387	23.3771
240002G	JEFF M ARTHUR	EEX CORPORATION	12/04/1990	85 549 185385	23.3771
240002H	H H COFFIELD ESTATE	EEX CORPORATION	12/13/1990	85 551 185386	17.5219
240010	NELSON W WILLARD	COLINE OIL CORPORATION	11/20/1936	40 436 8336	160.0000
240011	NELSON W WILLARD	COLINE OIL CORPORATION	10/01/1929	28 251 1687	40.0000

Part II

Contract No.	Contract Name	Contract Type
524ASF001	EP OPER/IPP ASF 91/11/25	ASSIGNMENT
524ASF002	EP OPER/IPP ASF 92/01/16	ASSIGNMENT
524ASF003	PAYNE/IPP ASF 91/04/15	ASSIGNMENT
524ASF004	EP OPER/IPP ASF 92/06/04	ASSIGNMENT
524ASF005	IPP/WESTLAND ASF 92/08/12	ASSIGNMENT
524ASF006	EPOC/IPP ASF 92/12/09	ASSIGNMENT
524ASF007	IPP/WESTLAND ASF 93/2/16	ASSIGNMENT
524FOA01	IPP/ENSERCH FOA 95/06/26	FARM-OUT AGREEMENT
524JOA01	EP OPER/IPP JOA 91/05/13	JOINT OPERATING AGREEMENT
524JOA02	EP OPER/CONE JOA 91/05/17	JOINT OPERATING AGREEMENT

14 of 19

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 Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
 MARIAN PAGE

0000

 Prospect Name : TAYLORS BAYOU
 Prospect No. : TX-2128
 County : JEFFERSON

Part I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
.280001A	JACK B BROOKS	RUTHERFORD OIL CORPORATION	11/13/1998	1999014026	28.8963
.280001B	DAVID J STEWART JR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014027	0.0994
.280001C	R SCOTT GARLAND	RUTHERFORD OIL CORPORATION	12/03/1998	1999014028	0.0229
.280001D	KRISTEN G SLYMAN	RUTHERFORD OIL CORPORATION	12/03/1998	1999014029	0.0229
.280001E	ROBERTA SUSAN MORROW	RUTHERFORD OIL CORPORATION	12/03/1998	1999014030	0.0229
.280001F	ROBERT G GARLAND III	RUTHERFORD OIL CORPORATION	12/16/1998	1999014031	0.0229
.280001G	ROBERT F GARLAND JR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014032	0.0765
.280001H	PAULA B COREY	RUTHERFORD OIL CORPORATION	12/03/1998	1999014033	0.0229
.280001I	JEFFREY M GARLAND	RUTHERFORD OIL CORPORATION	12/03/1998	1999014034	0.0229
.280001J	SANDRA LEE SWICKI	RUTHERFORD OIL CORPORATION	12/03/1998	1999010435	0.0229
.280001K	DAN P GARLAND SR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014036	0.0765
.280001L	DANIEL P GARLAND JR	RUTHERFORD OIL CORPORATION	12/03/1998	1999014037	0.0229
.280001M	BERTHA RENEE NEWELL	RUTHERFORD OIL CORPORATION	12/03/1998	1999014038	0.0229
.280002	TX ST M-100526	RUTHERFORD OIL CORPORATION	04/06/1999	1999021662	36.2500
.280003	SUN OPERATING LIMITED PARTSHIP	RUTHERFORD OIL CORPORATION	04/21/1999	1999019685	26.2025
.280004	ALICE ELIZABETH FITZHUGH ET AL	CABOT OIL & GAS CORPORATION	03/17/1997	97-9717211	121.0917
.280005A	RUTH BOWERS GRANDCHILDREN TR	CABOT OIL & GAS CORPORATION	01/18/2000	2000003111	9.3750
.289001	LABELLE PROPERTIES LTD	RUTHERFORD OIL CORPORATION	11/12/1999		0.0000

Part II

Contract No.	Contract Name	Contract Type
.28ASF001	RUTHERFORD/IPP ASGN 99/07	ASSIGNMENT
.28ASF002	RUTHERFORD/STATE OF TEXAS	ASSIGNMENT
.28ASF003	RUTHERFORD/IPP ET AL	ASSIGNMENT
.28FOA01	RUTHERFORD/CABOT/EOG 0999	FARM-OUT AGREEMENT
.28JOA01	RUTHERFORD/IPP JOA 99/07	JOINT OPERATING AGREEMENT
.28JOA02	RUTHERFORD/IPP JOA 8/1/00	JOINT OPERATING AGREEMENT
.28LA001	RUTHERFORD/LABELLE 99/11	LETTER AGREEMENT
.28PRT01	RUTHERFORD/IPP PRT 99/07	PARTICIPATION AGMT ONLY

I CERTIFY THIS IS A TRUE COPY
 Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
 MARIAN PAGE

10.00.9

Area : Offshore
State : LA

Prospect Name : MAIN PASS 300
Prospect No. : LA-1160
County : OFFSHORE - LOUISIANA

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
1600001	USA OCS G 1317	CALIFORNIA OIL COMPANY	06/01/1962	52.1051

Part II

Contract No.	Contract Name	Contract Type
160ASP001	WOGC/IPP 93/12/23	ASSIGNMENT
160EXP03	WOGC/IPP EXP 85/01/01	JOINT OPERATING AGREEMENT
160FIA01	CHEVRON/WOGC FIA 93/06/01	FARM-IN AGREEMENT
160JOA01	WOGC/IPP JOA 85/01/01	JOINT OPERATING AGREEMENT

Prospect Name : MAIN PASS 301
Prospect No. : LA-1161
County : OFFSHORE - LOUISIANA

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
1610001	USA OCS G 4486	GULF OIL CORPORATION	11/01/1980 448 32 246180	522.2614

Part II

Contract No.	Contract Name	Contract Type
161ASF001	WOGC/IPP ASF 85/04/21	ASSIGNMENT
161ASP002	WOGC/IPP ASF 85/04/21	ASSIGNMENT
161ASP003	WOGC/IPP ASF 89/04/21	ASSIGNMENT
161EXP03	WOGC/IPP EXP 85/01/01	JOINT OPERATING AGREEMENT
161FIA01A	GULF/IPP FIA 84/12/31	FARM-IN AGREEMENT
161FIA01B	GULF/IPP FIA 84/12/31	FARM-IN AGREEMENT
161JOA01	WOGC/IPP JOA 85/01/01	JOINT OPERATING AGREEMENT

16 of 19

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MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE

10000

Prospect Name : SABINE PASS 12 - LOV
 Prospect No. : LA-1906
 County : OFFSHORE - LOUISIANA

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
9060001	USA OCS G 14590	EP OPERATING COMPANY	07/01/1994	937.5000
9069001	USA OCS G 16021	APACHE CORPORATION	02/21/1997	0.0000

Part II

Contract No.	Contract Name	Contract Type
906EXP01B	LOV PROGRAM EXP 94/01/01	EXPLORATION AGREEMENT
906FIA01	ENS/AQUILA FIA 95/03/15	FARM-IN AGREEMENT
906JOA01	APACHE/IPP JOA 95/06/01	JOINT OPERATING AGREEMENT

Prospect Name : SOUTH TIMBALIER 212 - T3D
 Prospect No. : LA-2094
 County : OFFSHORE - LOUISIANA

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
20940001	USA OCS G 14538	TEXACO E & P INC	07/01/1994	1190.8953
20940002	USA OCS G 04464	TEXACO E & P INC	11/01/1980	57.8125
20949001	USA OCS-G 21045 - SEGMENT 12243	IP PETROLEUM CO INC	01/01/2000	0.0000
20949002	OCS-G 19831	SPINNAKER EXPLORATION CO LLC	12/01/1999	0.0000

Part II

Contract No.	Contract Name	Contract Type
2094ASF01	ASSIGNMENTS ASF [VARIOUS]	ASSIGNMENT
2094EXP01	TEX 3-D LP EXP 95/04/01	EXPLORATION AGREEMENT
2094FOA01	IPP/SPINAKER FOA 07/20/99	FARM-OUT AGREEMENT
2094FOA02	TEXACO/IPP FOA 10/01/98	FARM-OUT AGREEMENT
2094JOA01	IPP/HEIET AL JOA 10/01/98	JOINT OPERATING AGREEMENT
2094JOA02	TEXACO/POGO JOA 11/01/80	JOINT OPERATING AGREEMENT
2094MKT01	SUPERIOR/IPP MKT 03/11/96	MARKETING AGREEMENT
2094MKT02	DISCOVERY/IPP MKT 12/08/97	MARKETING AGREEMENT
2094MKT03	GULFMARK/IPP MKT 08/26/99	MARKETING AGREEMENT
2094MKT04	IP/DISCOVERY MKT 12/08/97	MARKETING AGREEMENT
2094OPR01	OP & CONSULT OPR 99/06/01	OPERATIONS AGREEMENT
2094OPR02	COASTAL PRODUCTION OPR	OPERATIONS AGREEMENT
2094OPR03	O'BRIEN'S OPS OPR 99/6/1	OPERATIONS AGREEMENT
2094PHA01	IPP/TEXACO PHA 07/01/99	PRODUCTION HANDLING AGREEMENT
2094PRT01	IPP/PRUET PRT 12/11/98	PARTICIPATION AGMT ONLY
2094PRT02	IPP/BELLWTHR PAR 12/11/98	PARTICIPATION AGMT ONLY
2094PRT03	IPP/CHALNGR PAR 12/11/98	PARTICIPATION AGMT ONLY
2094PUR01	TEXACO/IPP PUR 07/24/98	PURCHASE AGREEMENT
2094TRS01	DISCOVERY GAS TRN 07/31/98	TRANSPORTATION AGREEMENT

Prospect Name : WEST CAMERON 290
 Prospect No. : LA-1183
 County : OFFSHORE - LOUISIANA

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
11830001	USA OCS G 4818	KERR-MCGEE CORPORATION 103069 EASON OIL COMPANY ENTEX PETROLEUM INC	09/01/1981	518.7970

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 Witness my Hand and Seal of Office

MAY 25 2001
 SANDY WALKER, COUNTY CLERK
 JEFFERSON COUNTY TEXAS
 BY Marian Page DEPUTY
 MARIAN PAGE



Area : Offshore
State : LA

art II

Contract No.	Contract Name	Contract Type
1183ASP001	WOGC/IPP ASF 86/08/27	ASSIGNMENT
1183EXP04	WOGC/IPP EXP 86/01/01	EXPLORATION AGREEMENT
1183FIA01	KERR/WOGC FIA 86/07/02	FARM-IN AGREEMENT
1183JOA01	KERR/SAMEDAN JOA 81/09/01	JOINT OPERATING AGREEMENT
1183PRT01	WOGC/SAMEDAN PRT 86/07/02	PARTICIPATION AGMT ONLY
1183PUR01	ELAND/IPP PURCH 08/01/77	PURCHASE AGREEMENT

Prospect Name : SOUTH MARSH ISLAND 36
Prospect No. : LA-1375
County : OFFSHORE - LOUISIANA

art I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
3750001	USA OCS G 7699	ATLANTIC RICHFIELD COMPANY	08/01/1985	0	286.0173

art II

Contract No.	Contract Name	Contract Type
375ASP001	WOGC/IPP ASF 89/05/01	ASSIGNMENT
375ASF002	VASTAR/IPP ASF 92/11/11	ASSIGNMENT
375EXP04	WOGC/IPP EXP 86/01/01	EXPLORATION AGREEMENT
375FIA01	ARCO/WOGC FIA 88/12/12	FARM-IN AGREEMENT
375JOA01	WOGC/ARCO JOA 89/04/27	JOINT OPERATING AGREEMENT

Prospect Name : SOUTH MARSH ISLAND 37
Prospect No. : LA-1401
County : OFFSHORE - LOUISIANA

Part I

Lease No.	Lease Name	Lessee Name	Eff date	Recording Book/Page/File	Net Acres
14010001	USA OCS G 7700	ATLANTIC RICHFIELD COMPANY	08/01/1985		292.5000

Part II

Contract No.	Contract Name	Contract Type
1401ASF001	WOGC/IPP ASF 89/05/01	ASSIGNMENT
1401ASF002	VASTAR/IPP ASF 92/11/11	ASSIGNMENT
1401EXP06	WOGC/IPP EXP 88/01/01	JOINT OPERATING AGREEMENT
1401FIA01	ARCO/WOGC FIA 88/12/12	FARM-IN AGREEMENT
1401JOA01	WOGC/ARCO JOA 89/04/27	JOINT OPERATING AGREEMENT
1401SEI01	ARCO/WOGC SEI 90/12/20	SEISMIC AGREEMENTS

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Witness my Hand and Seal of Office

MAY 25 2001

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY Marian Page DEPUTY
MARIAN PAGE



Area : Offshore
State : TX

Prospect Name : GALVESTON 394 - TJD
Prospect No. : TX-1959
County : OFFSHORE - TEXAS

Part I

Lease No.	Lease Name	Lessee Name	Eff date Recording Book/Page/File	Net Acres
19590001	USA OCS G 13317	SEAGULL ENERGY CORPORATION	12/01/1991	1728.0346

Part II

Contract No.	Contract Name	Contract Type
1959AMI01	GA 394 AMI 96/11/01	AREA OF MUTUAL INTEREST
1959ASF001	SEAGUL/ASHLND ASF 92/03	ASSIGNMENT
1959EXP01	TEX 3-D LP EXP 95/04/01	EXPLORATION AGREEMENT
1959FIA01	SEAGULL/IPP FIA 96/02/28	FARM-IN AGREEMENT
1959JOA01	IPP/TJD ETAL JOA 96/02/28	JOINT OPERATING AGREEMENT
1959MKT01	WFS/IPP MKT 03/26/96	MARKETING AGREEMENT
1959MKT04	SUPERIOR/IPP MKT 03/11/96	MARKETING AGREEMENT
1959MKT05	PLAINS/IP MKT 98/02/26	MARKETING AGREEMENT
1959MKT06	WILLIAMS/IP MKT 96/03/20	MARKETING AGREEMENT
1959MKT07	IP/TENNESSEE MKT 05/01/96	MARKETING AGREEMENT
1959MKT08	IP/MARATHON MKT 07/26/96	MARKETING AGREEMENT
1959OPR01	PETRO OFF OPR 99/05/31	OPERATIONS AGREEMENT
1959OPR02	O'BRIEN'S OPS OPR 99/6/1	OPERATIONS AGREEMENT

FILED AND RECORDED

Sandy Walker

2001 MAY 25 09:07 AM 2001018831
SANDY WALKER
COUNTY CLERK
JEFFERSON COUNTY, TEXAS

19 of 19

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

MAY 25 2001
SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Marian Page* DEPUTY
MARIAN PAGE

10050

15.

File No. MF100526

Assignment

Date Filed: 7/18/01

By: David Bewhurst, Commissioner

0501

DO NOT DESTROY

Inactive
eff 9/15/99
C# 8



Texas General Land Office
UNIT AGREEMENT MEMO

PA03-98

Unit Number 3337

Operator Name RUTHERFORD OIL CORPORATION Effective Date 9/15/1999

TaxID: [REDACTED] Unitized For Oil & Gas

Unit Name Brooks-State Gas Unit Unit Term 0 Months

County1 Jefferson

	Old Unit Number	Inactive Status Date
County 2	2818	9/15/1999
County 3	0	
RRC District: 03	0	
Unit Type: Permanent	0	
State Royalty Interest: 0.0789740156552	0	
State Part in Unit: 0.562001688397		

Unit Depth Above Well: Unit

Below Depth 0 Formation: Hackberrv

Above Depth 12000 MD [If Exclusions Apply: See Remarks]

MF Number MF100526 Tract Number 3

Lease Acres 57.165 / Total Unit Acres 319.83 =

Tract Participation: 0.1787356 X

Lease Royalty 0.2 = Manual Tract Participation: See Remark

Tract Royalty Participation 0.0357471 Manual Tract Royalty:

Tract Royalty Reduction No

Tract Royalty Rate 0

Tract On-Line Date:

01-004601

MF Number MF100792 **Tract Number** 4
Lease Acres 122.58 / **Total Unit Acres** 319.83 =
Tract Participation: 0 X
Lease Royalty 0.0625 = **Manual Tract Participation:** **See Remark**
Tract Royalty Participation 0.0432269 **Manual Tract Royalty:**

Tract Royalty Reduction No
Tract Royalty Rate 0
Tract On-Line Date:

08-18156

API Number **RRC Number**

Remarks:

The royalty participation for well #1 is now 0.07897415 and the royalty on well #2 is now 0.05970125.

Prepared By: _____
GLO Base Updated By: M.S. [Signature]
RAM Approval By: [Signature]
GIS By: _____
Mineral Maps By: _____

Prepared Date: 7-1-03
GLOBase Date: 7-8-03
RAM Approval Date: 10-8-03
GIS Date: _____
Mineral Maps Date: _____

Pooling Committee Report

To: School Land Board PA03-98
Date of Board Meeting: July 1, 2003 Unit Number: 3337
Effective Date: 9/15/1999
Unit Expiration Date: Permanent
Applicant: RUTHERFORD OIL CORPORATION
Operator: RUTHERFORD OIL CORPORATION
County 1: Jefferson
County 2:
County 3:
Unit Name: Brooks-State Gas Unit
Field Name: Taylors Bayou (Hackberry III)

<u>Lease Type</u>	<u>MF Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres in Unit</u>	<u>Royalty Participation</u>
SF	MF100526	0.2	4/6/2002	3 years	145	57.165	0.0357471
FR	MF100792	0.063	11/13/2001	3 years	123	122.58	0.0432269

SF = State Fee RAL = Relinquishment Act FR = Free Royalty UR = Unleased River

Private Acres:	140.085
State Acres:	179.745
Total Unit Acres:	319.83

<u>Participation Basis:</u>	
Surface Acreage	
<u>State Acreage:</u>	56.20%
<u>State Unit Royalty:</u>	7.90%

<u>Unit Type:</u>	<u>Unitized for:</u>
Permanent	Oil & Gas
<u>Term:</u>	0 Months

<u>Well Location:</u>
State Land

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Statewide	40

REMARKS:

- Rutherford Oil Corporation is requesting an amendment to the Brooks-State Gas Unit in Jefferson County by asking the School Land Board to recognize ownership of a 0.535 acre tract belonging to the M Half Circle Ranch. This will reduce the state's acreage in the unit from 180.28 acres to 179.745 acres.

- The School Land Board approved permanent oil and gas pooling on September 21, 1999 and amended the unit on January 11, 2000 to include a Free Royalty interest.

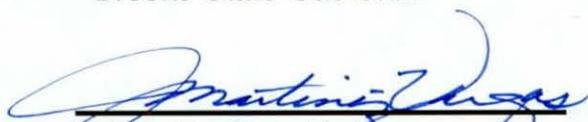
- Included within the unit boundaries are artificial channels created by the Jefferson County Drainage District No. 6. The State of Texas does not claim the minerals under the artificially created channels. A part of one of the artificial channels contains a 0.535 acre tract that was erroneously attributed to the State.

- With approval of the amendment the State's unit royalty participation will decrease slightly from 7.93% to 7.89% for well #1 and from 6.00% to 5.97% for well #2.

- The proposed amendment will require the State to return approximately \$11,000.00 in overpayment, which will be made up by allowing Rutherford Oil Corporation a credit on their next royalty payment.

POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of the amendment to the Brooks-State Gas Unit.



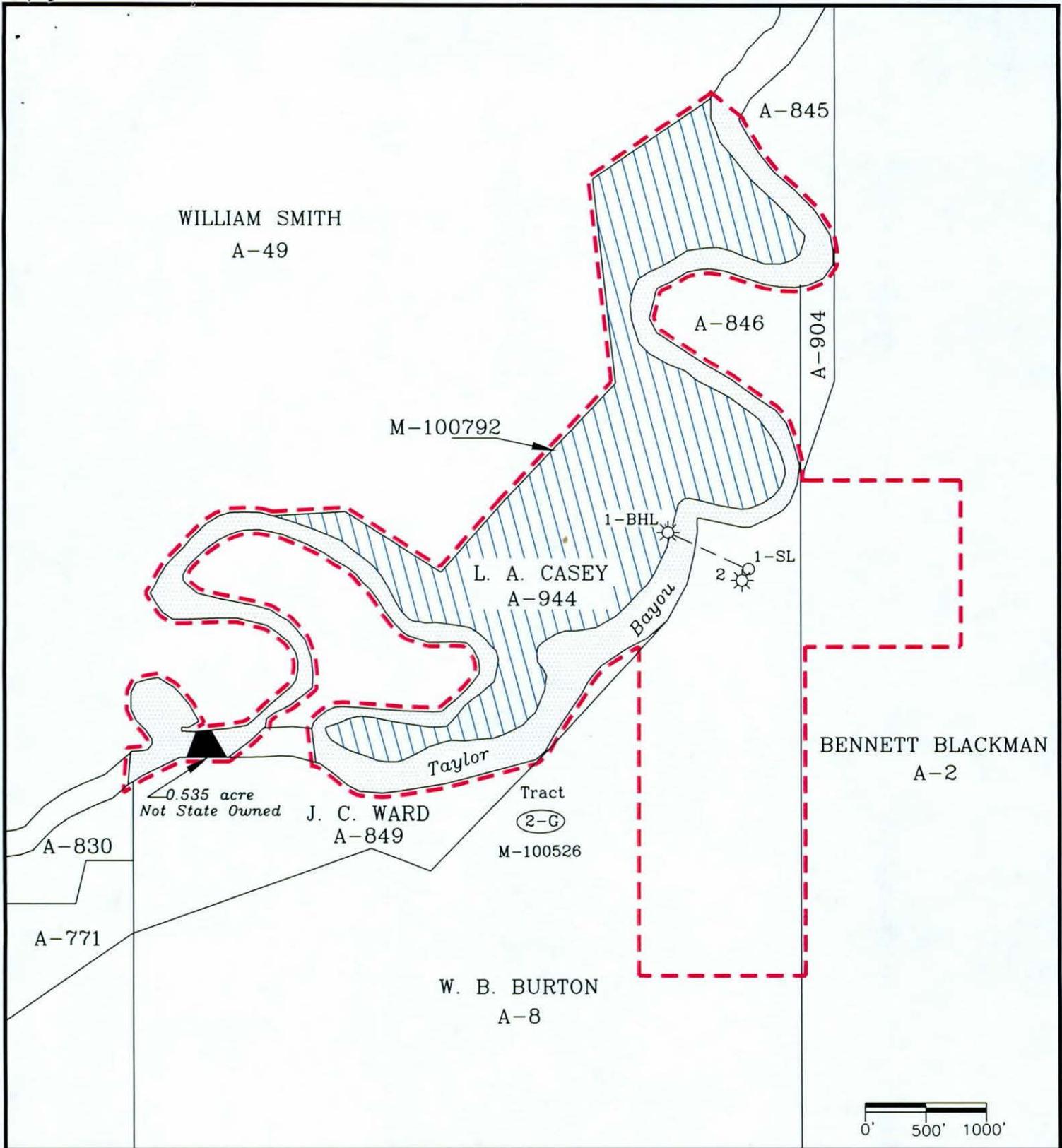
Jeffee Martinez-Vargas



Peter A. Boone

6/24/03
Date:

6-24-03
Date:



03-98\ft\07-03

RUTHERFORD OIL CORPORATION
 BROOKS - STATE GAS UNIT
 TAYLORS BAYOU (HACKBERRY III)
 M-10052 AND M-100792
 JEFFERSON COUNTY

**AMENDMENT OF POOLING AGREEMENT
RUTHERFORD OIL CORPORATION
BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS**

This Agreement is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Rutherford Oil Corporation, hereinafter referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "Parties", in consideration of the mutual agreement hereinafter set forth and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

WHEREAS, pursuant to approval of the School Land Board on September 21, 1999, a Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit, Jefferson County, Texas, has previously been executed by the Parties and said Pooling Agreement has been recorded as Document No. 1999041175 of the Official Records of Jefferson County, Texas; and

WHEREAS, pursuant to approval of the School Land Board on January 11, 2000, a Amendment of Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit, Jefferson County, Texas, has previously been executed by the Parties and said Amendment of Pooling Agreement has been recorded as Document No. 2000011424 of the Official Records of Jefferson County, Texas; and

WHEREAS, subsequent to the execution of said Pooling Agreement and Amendment of Pooling Agreement, it has been determined that a claim of ownership has been made and acknowledged by the General Land Office to a portion of the water bottom of Taylors Bayou which was previously credited to the State of Texas as depicted on the revised Unit plat attached hereto as Exhibit "A"; and

NOW, THEREFORE, the Parties hereto agree to amend the Brooks-State Unit such that the interest credited to the State of Texas is hereby reduced to 57.165 acres and The M Half Circle Ranch Company, Inc., et al, is credited with .535 acres. This Amendment is effective from first production from the Brooks-State Unit. The State of Texas agrees to reimburse Rutherford Oil Corporation for all monies erroneously paid for the .535 acre tract.

Dated this 2nd day of July, 2003.

Date Executed: 2 July 2003

Legal HFE. (W/W)
Content _____
Geology PS
General Counsel W/W
Execution _____

STATE OF TEXAS

By: Jerry E. Patterson
Jerry E. Patterson, Commissioner of
the General Land Office

Date Executed: 2-27-03

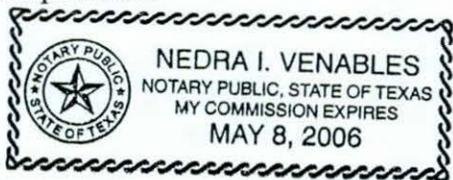
RUTHERFORD OIL CORPORATION

By: Mike G. Rutherford
Mike G. Rutherford
Its: President

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on February 27, 2003, by Mike G. Rutherford as President of RUTHERFORD OIL CORPORATION, a Texas corporation, on behalf of said corporation.



Nedra I. Venables
Notary Public in and for the State of Texas
Commission expires: 5/8/06

Date Executed: 3-12-03

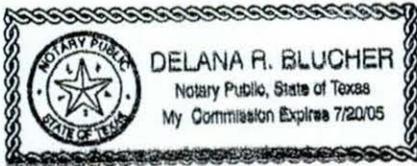
PURE PARTNERS, L.P., by its GENERAL PARTNER PURE RESOURCES 1, INC.

By: Stephen M. Guidry HS
Stephen M. Guidry
Its: Attorney-In-Fact

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on March 12, 2003, by Stephen M. Guidry as Attorney-In-Fact for PURE RESOURCES 1, INC., the General Partner of PURE PARTNERS, L.P., on behalf of said partnership.



Delana R. Blucher
Notary Public in and for the State of Texas
Commission expires: 7-20-05

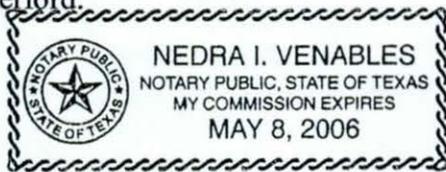
Date Executed: 2-27-03

MICHAEL G. RUTHERFORD
Michael G. Rutherford
Michael G. Rutherford

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on February 27, 2003, by Michael G. Rutherford.



Nedra I. Venables
Notary Public in and for the State of Texas
Commission expires: 5/8/06

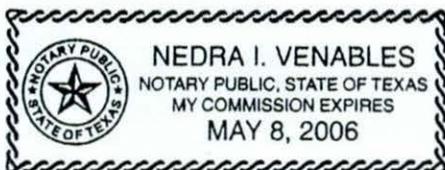
Date Executed: 2-27-03

PATRICK R. RUTHERFORD, JR.
Patrick R. Rutherford, Jr.
Patrick R. Rutherford, Jr.

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on February 27, 2003, by Patrick R. Rutherford, Jr.



Nedra I. Venables
Notary Public in and for the State of Texas
Commission expires: 5/8/06

2003

Date Executed: APRIL 10, 2003

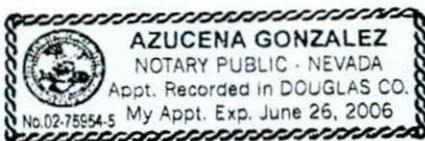
BARBARA K. ALEXANDER

Barbara K. Alexander
Barbara K. Alexander

STATE OF NEVADA §

COUNTY OF CARSON CITY §

This instrument was acknowledged before me on APRIL 10, 2003, by Barbara K. Alexander.



Azucena Gonzalez
Notary Public in and for the State of Nevada
Commission expires: JUNE 26, 2006

Date Executed: APRIL 10, 2003

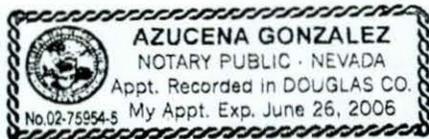
THE BARBARA K. ALEXANDER 1983 TRUST

By: Barbara K. Alexander
Barbara K. Alexander
Its: Trustee

STATE OF NEVADA §

COUNTY OF CARSON CITY §

This instrument was acknowledged before me on APRIL 10, 2003, by Barbara K. Alexander, the Trustee of THE BARBARA K. ALEXANDER 1983 TRUST, on behalf of said trust.



Azucena Gonzalez
Notary Public in and for the State of Nevada
Commission expires: JUNE 26, 2006

Date Executed: 3-24-03

GDM RESOURCES, LTD.

By: Gary L. Ronning
Gary L. Ronning
Its: Senior Vice President

00279

STATE OF CALIFORNIA §

COUNTY OF KERN §

This instrument was acknowledged before me on MARCH 24, 2003, by Gary L. Ronning as Senior Vice President of GDM RESOURCES, LTD., a Nevada Limited Partnership, on behalf of said partnership.



J. S. Manus
Notary Public in and for the State of California
Commission expires: 10/6/05

Date Executed: 3-24-03

FERGUSON RESOURCES 1998

By: [Signature]
Its: EUP

STATE OF CALIFORNIA §

COUNTY OF KERN §

This instrument was acknowledged before me on MARCH 24, 2003, by GARY L. RONNING as Vice President of FERGUSON RESOURCES 1998, a General Partnership, on behalf of said partnership.



J. S. Manus
Notary Public in and for the State of California
Commission expires: 10-6-05

Date Executed: APRIL 3, 2003

GRABLE BOSWORTH RONNING

Grable Bosworth Ronning
Grable Bosworth Ronning

00-279

STATE OF NEVADA §

COUNTY OF WASHOE §

This instrument was acknowledged before me on 4/31, 2003, by Grable Bosworth Ronning.



[Signature]
Notary Public in and for the State of Nevada
Commission expires: JANUARY 21, 2006

Date Executed: April 3, 2003

THE GRABLE BOSWORTH RONNING 1983 TRUST

By: Grable Bosworth Ronning, the
Grable Bosworth Ronning
Its: Trustee

STATE OF NEVADA §

COUNTY OF WASHOE §

This instrument was acknowledged before me on 4/31, 2003, by Grable Bosworth Ronning, the Trustee of THE GRABLE BOSWORTH RONNING 1983 TRUST, on behalf of the Trust.



[Signature]
Notary Public in and for the State of Nevada
Commission expires: JANUARY 21, 2006

Date Executed: May 2, 2003

EOG RESOURCES, INC.

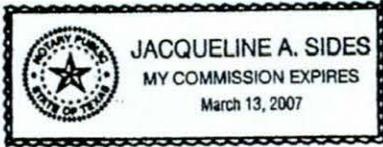
By: [Signature]
Jim Breimayer
Its: Vice President & General Manager

2003

STATE OF TEXAS §

COUNTY OF SMITH §

This instrument was acknowledged before me on May 2, 2003, by Jim Breimayer as VP & GM of EOG RESOURCES, INC., a Delaware corporation, on behalf of said corporation.



Jacqueline A Sides
Notary Public in and for the State of Texas
Commission expires: March 13, 2007

Date Executed: 5/14/03

PENNSYLVANIA CASTLE ENERGY CORPORATION

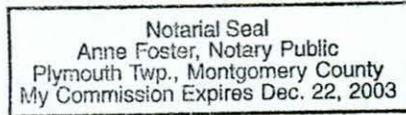
By: Stephen Staedtler
Stephen Staedtler
Its: Vice President

STATE OF PENNSYLVANIA §

COUNTY OF Montgomery §

This instrument was acknowledged before me on May 14, 2003, by Stephen Staedtler as Vice President of PENNSYLVANIA CASTLE ENERGY CORPORATION, a Texas corporation, on behalf of said corporation.

Anne Foster
Notary Public in and for the State of Pennsylvania
Commission expires: Dec. 22, 2003



Member, Pennsylvania Association of Notaries



Brooks-State Unit

Well #1 - Original interest = .07930870
New interest = .07897415

Tract factor of disputed interest =
.535/319.83 = .00167276 x .2 = .00033435

Well #2 - Original interest = .06003580
New interest = .05970125

Well #1 gas revenue through April 2003 production = \$23,092,479.44

Well #1 condensate revenue through April 2003 production = \$1,332,523.64

Gas revenue payment to State = .07930870 x \$423,092,479.44 = \$1,831,434.51
Should have paid = .07897415 x \$423,092,479.44 = \$1,823,708.93
Overpayment = \$ 7,725.58

Cond. Revenue payment to State = .07930870 x \$1,332,523.64 = \$ 105,680.73
Should have paid = .07897415 x \$1,332,523.64 = \$ 105,234.92
Overpayment = \$ 445.81

Well #2 gas revenue through April 2003 production = \$7,976,091.90

Well #2 condensate revenue through April 2003 production = \$396,931.01

Gas revenue payment to State = .06003580 x \$7,976,091.90 = \$478,851.06
Should have paid = .05970125 x \$7,976,091.90 = \$476,182.66
Overpayment = \$ 2,668.40

Cond. revenue payment to State = .06003580 x \$396,931.01 = \$23,830.06
Should have paid = .05970125 x \$396,931.01 = \$23,697.28
Overpayment = \$ 132.78

Total overpayment = \$7,725.58 + \$445.81 + \$2,668.40 + \$132.78 = 10,972.57

00219

EXHIBIT "A"

THIS PLAT MAY NOT SHOW ALL PIPELINES, CABLES OR OTHER OBSTRUCTIONS. FORD ENGINEERING FIRM ASSUMES NO RESPONSIBILITY IN LOCATING ANY OF THESE OBSTRUCTIONS.

DATUM:
TEXAS LAMBERT GRID, NAD-27,
SOUTH CENTRAL ZONE.

DATUM:
COORDINATES ARE BASED ON GPS
DATA WITH ACCURACY OF + OR -
ONE METER.

WILLIAM SMITH A-49

BROOKS-STATE 319.83 ACRE
GAS UNIT

FLOYD SMITH

RUTHERFORD OIL CORPORATION
BOTTOM-HOLE LOCATION
X=3,530,270.1
Y= 789,451.8

L. J. AUBEY, SR.

FND. I. R.

RUTHERFORD OIL CORPORATION
L. A. CASEY A-944
(CALLED) 117.42 ACRES
(122.58 ACRES)
V. 1076, P. 79 D-R
JACK B. BROOKS, ET. AL.

V. D. AUBEY, SR.

④

①
RUTHERFORD OIL CORPORATION
BROOKS-STATE NO. 1 GAS UNIT
SURFACE LOCATION
AS-BUILT POSITION OF CASING
X=3,531,087.4
Y= 769,141.7

②

(40 ACRES)

⑤
VOL. 1512, PAGE 243
0.535 ACRE
M HALF CIRCLE RANCH
COMPANY-BILL WILSON

J.C. WARD A-849

VOL. 1512, PAGE 243
M HALF CIRCLE RANCH COMPANY
BILL WILSON

W. B. BURTON A-8

BROOKS-STATE 319.83 ACRE GAS UNIT

TR1	SUN OPERATING LIMITED PARTNERSHIP, ET. AL.	99.550 AC
TR2	ALICE ELIZABETH FITZHUGH	40.000 AC
TR3	STATE OF TEXAS (PORTION OF ST. TR. 2G)	57.165 AC
TR4	JACK B. BROOKS, ET. AL.	122.580 AC
TR5	M HALF CIRCLE CO.-BILL WILSON	0.535 AC
		TOTAL: 319.830 AC

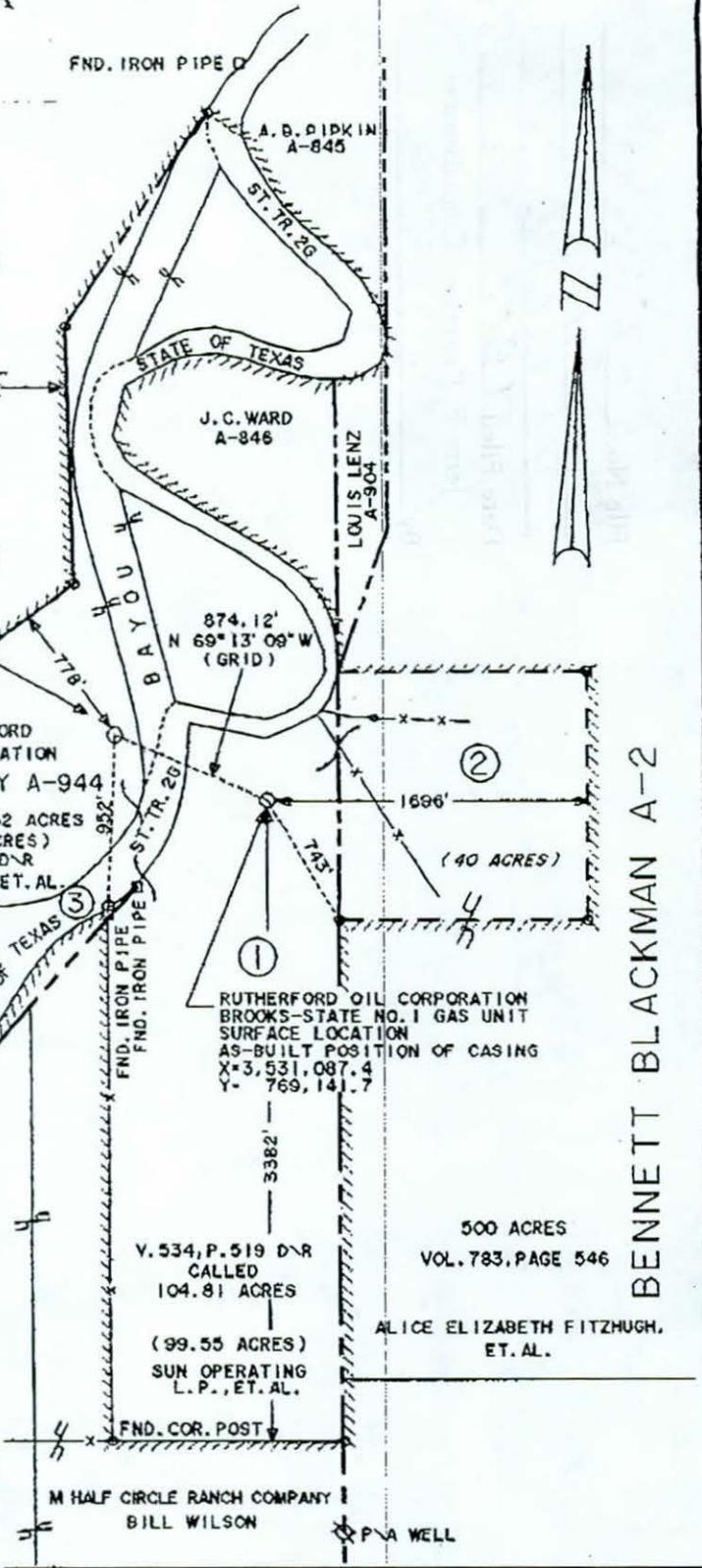
★ SEE ACCOMPANYING DESCRIPTION FOR METES & BOUNDS ON BROOKS-STATE 319.83 ACRE GAS UNIT.

THE ABOVE PLAT AND ACCOMPANYING DESCRIPTION WERE PREPARED FROM AN ACTUAL SURVEY AND RECORDED INFORMATION. THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS 20TH DAY OF SEPTEMBER, 1999.

FORD ENGINEERING FIRM
CIVIL ENGINEERS AND SURVEYORS

BY *Victoria Gail Ford*
DUNWAD GAIL FORD
REG. PROFESSIONAL LAND SURVEYOR OF TEXAS NO. 348

REVISED: 02-08-03
REVISED: 11-30-99
TAYLOR, CRD (LATER 12)



RUTHERFORD OIL CORPORATION	
BROOKS-STATE 319.83 ACRE GAS UNIT	
VARIOUS SURVEYS	
JEFFERSON COUNTY, TEXAS	
FORD ENGINEERING FIRM - VICTORIA, TEXAS - 361-573-3249	
SCALE: 1" = 1000'	DATE: 9-28-99
JOB NO.: 9-799-R / 11-103-R	
JEFF. 99-5	DRAWN BY: JRG
	CHECKED BY: DVH

16.

File No. MF 1005526

Policy Committee Report
Agreement to Sealing

Date Filed: 08/03 Agreement

Jerry E. Patterson, Commissioner

By _____

RUTHERFORD OIL CORPORATION

5 EAST GREENWAY PLAZA, SUITE 220

HOUSTON, TEXAS 77046

TEL: (713) 622-5555

FAX: (713) 621-7072

July 24, 2003

Texas General Land Office
P. O. Box 12873
Austin, Texas 78711-2873
Attn: Mr. Marshall Enquist
Legal Services

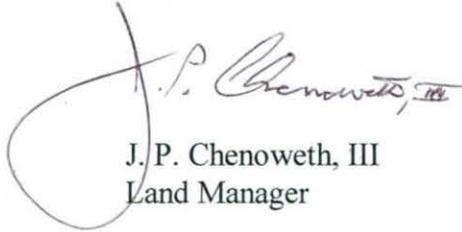
Re: Amendment of Pooling Agreement M-100526
Rutherford Brooks-State Gas Unit
Jefferson County, Texas

Dear Mr. Enquist:

Enclosed please find a certified copy of the subject document for your files. Thanks very much for your help in this matter. It would never have happened without your assistance.

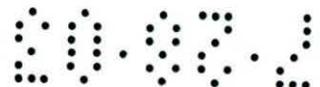
Very truly yours,

RUTHERFORD OIL CORPORATION


J. P. Chenoweth, III
Land Manager

encl

03 JUL 28 PM 2:33
LEGAL SERVICES





**AMENDMENT OF POOLING AGREEMENT
RUTHERFORD OIL CORPORATION
BROOKS-STATE UNIT
JEFFERSON COUNTY, TEXAS**

This Agreement is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Rutherford Oil Corporation, hereinafter referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "Parties", in consideration of the mutual agreement hereinafter set forth and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

WHEREAS, pursuant to approval of the School Land Board on September 21, 1999, a Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit, Jefferson County, Texas, has previously been executed by the Parties and said Pooling Agreement has been recorded as Document No. 1999041175 of the Official Records of Jefferson County, Texas; and

WHEREAS, pursuant to approval of the School Land Board on January 11, 2000, a Amendment of Pooling Agreement for the Rutherford Oil Corporation Brooks-State Unit, Jefferson County, Texas, has previously been executed by the Parties and said Amendment of Pooling Agreement has been recorded as Document No. 2000011424 of the Official Records of Jefferson County, Texas; and

WHEREAS, subsequent to the execution of said Pooling Agreement and Amendment of Pooling Agreement, it has been determined that a claim of ownership has been made and acknowledged by the General Land Office to a portion of the water bottom of Taylors Bayou which was previously credited to the State of Texas as depicted on the revised Unit plat attached hereto as Exhibit "A"; and

NOW, THEREFORE, the Parties hereto agree to amend the Brooks-State Unit such that the interest credited to the State of Texas is hereby reduced to 57.165 acres and The M Half Circle Ranch Company, Inc., et al, is credited with .535 acres. This Amendment is effective from first production from the Brooks-State Unit. The State of Texas agrees to reimburse Rutherford Oil Corporation for all monies erroneously paid for the .535 acre tract.

Dated this 2nd day of July, 2003.



TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN JEFFERSON
COUNTY CLERK'S OFFICE



Date Executed: 2 July 2003

Legal MFC. (initials)
Content _____
Geology WKS
General Counsel WKS
Execution _____

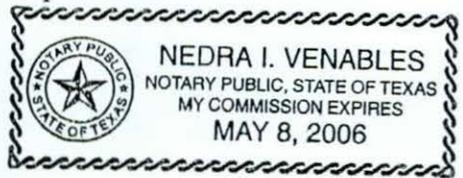
STATE OF TEXAS
By: Jerry E. Patterson
Jerry E. Patterson, Commissioner of
the General Land Office

Date Executed: 2-27-03

RUTHERFORD OIL CORPORATION
By: Mike G. Rutherford
Mike G. Rutherford
Its: President

STATE OF TEXAS §
COUNTY OF HARRIS §

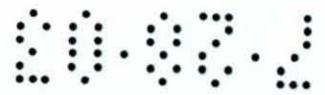
This instrument was acknowledged before me on February 27, 2003, by Mike G. Rutherford as President of RUTHERFORD OIL CORPORATION, a Texas corporation, on behalf of said corporation.



Nedra I. Venables
Notary Public in and for the State of Texas
Commission expires: 5/8/06

Date Executed: 3-12-03

PURE PARTNERS, L.P., by its GENERAL PARTNER PURE RESOURCES I, INC.
By: Stephen M. Guidry
Stephen M. Guidry
Its: Attorney-In-Fact



STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on March 12, 2003, by Stephen M. Guidry as Attorney-In-Fact for PURE RESOURCES 1, INC., the General Partner of PURE PARTNERS, L.P., on behalf of said partnership.



Delana R. Blucher
Notary Public in and for the State of Texas
Commission expires: 7-20-05

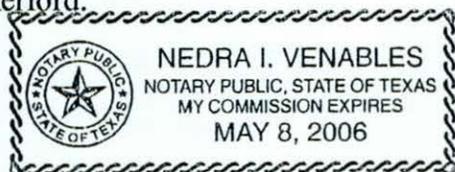
Date Executed: 2-27-03

MICHAEL G. RUTHERFORD
Michael G. Rutherford
Michael G. Rutherford

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on February 27, 2003, by Michael G. Rutherford.



Nedra I. Venables
Notary Public in and for the State of Texas
Commission expires: 5/8/06

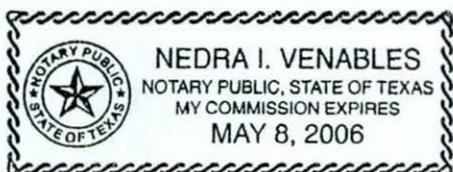
Date Executed: 2-27-03

PATRICK R. RUTHERFORD, JR.
Patrick R. Rutherford, Jr.
Patrick R. Rutherford, Jr.

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on February 27, 2003, by Patrick R. Rutherford, Jr.



Nedra I. Venables
Notary Public in and for the State of Texas
Commission expires: 5/8/06



TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN JEFFERSON
COUNTY CLERK'S OFFICE



Date Executed: APRIL 10, 2003

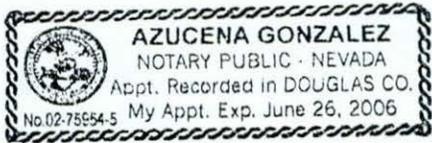
BARBARA K. ALEXANDER

Barbara K. Alexander
Barbara K. Alexander

STATE OF NEVADA §

COUNTY OF CARSON CITY §

This instrument was acknowledged before me on APRIL 10, 2003, by Barbara K. Alexander.



[Signature]
Notary Public in and for the State of Nevada
Commission expires: June 26, 2006

Date Executed: APRIL 10, 2003

THE BARBARA K. ALEXANDER 1983 TRUST

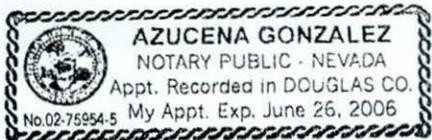
By: Barbara K. Alexander
Barbara K. Alexander

Its: Trustee

STATE OF NEVADA §

COUNTY OF CARSON CITY §

This instrument was acknowledged before me on APRIL 10, 2003, by Barbara K. Alexander, the Trustee of THE BARBARA K. ALEXANDER 1983 TRUST, on behalf of said trust.



[Signature]
Notary Public in and for the State of Nevada
Commission expires: June 26, 2006

Date Executed: 3-24-03

GDM RESOURCES, LTD.

By: [Signature]
Gary L. Ronning
Its: Senior Vice President



TRUE AND CORRECT COPY OF ORIGINAL FILED IN JEFFERSON COUNTY CLERK'S OFFICE



STATE OF CALIFORNIA §

COUNTY OF KERN §

This instrument was acknowledged before me on MARCH 24, 2003, by Gary L. Ronning as Senior Vice President of GDM RESOURCES, LTD., a Nevada Limited Partnership, on behalf of said partnership.



J. S. Manus
Notary Public in and for the State of California
Commission expires: 10/6/05

Date Executed: 3-24-03

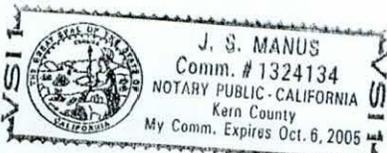
FERGUSON RESOURCES 1998

By: [Signature]
Its: FUP

STATE OF CALIFORNIA §

COUNTY OF KERN §

This instrument was acknowledged before me on MARCH 24, 2003, by GARY L. RONNING as Vice President of FERGUSON RESOURCES 1998, a General Partnership, on behalf of said partnership.



J. S. Manus
Notary Public in and for the State of California
Commission expires: 10-6-05

Date Executed: APRIL 3, 2003

GRABLE BOSWORTH RONNING

Grable Bosworth Ronning
Grable Bosworth Ronning



TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN JEFFERSON
COUNTY CLERK'S OFFICE



STATE OF NEVADA §

COUNTY OF WASHOE §

This instrument was acknowledged before me on 4/3/, 2003, by Grable Bosworth Ronning.



[Signature]
Notary Public in and for the State of Nevada
Commission expires: JANUARY 21, 2006

Date Executed: April 3, 2003

THE GRABLE BOSWORTH RONNING 1983 TRUST

By: Grable Bosworth Ronning, trustee
Grable Bosworth Ronning
Its: Trustee

STATE OF NEVADA §

COUNTY OF WASHOE §

This instrument was acknowledged before me on 4/3/, 2003, by Grable Bosworth Ronning, the Trustee of THE GRABLE BOSWORTH RONNING 1983 TRUST, on behalf of the Trust.

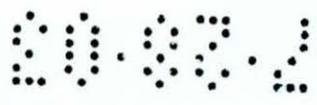


[Signature]
Notary Public in and for the State of Nevada
Commission expires: JANUARY 21, 2006

Date Executed: May 2, 2003

EOG RESOURCES, INC.

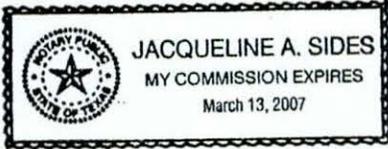
By: [Signature]
Jim Breimayer
Its: Vice President & General Manager



STATE OF TEXAS §

COUNTY OF SMITH §

This instrument was acknowledged before me on May 2, 2003, by Jim Breimayer as VP & GM of EOG RESOURCES, INC., a Delaware corporation, on behalf of said corporation.



Jacqueline A Sides
Notary Public in and for the State of Texas
Commission expires: March 13, 2007

Date Executed: 5/14/03

PENNSYLVANIA CASTLE ENERGY CORPORATION

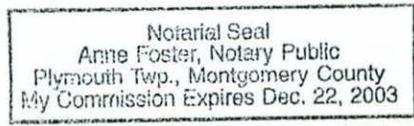
By: Stephen Staedtler
Stephen Staedtler
Its: Vice President

STATE OF PENNSYLVANIA §

COUNTY OF Montgomery §

This instrument was acknowledged before me on May 14, 2003, by Stephen Staedtler as Vice President of PENNSYLVANIA CASTLE ENERGY CORPORATION, a Texas corporation, on behalf of said corporation.

Anne Foster
Notary Public in and for the State of Pennsylvania
Commission expires: Dec. 22, 2003



Member, Pennsylvania Association of Notaries



TRUE AND CORRECT COPY OF ORIGINAL FILED IN JEFFERSON COUNTY CLERK'S OFFICE

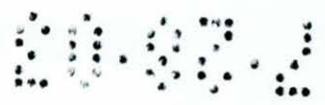


EXHIBIT "A"

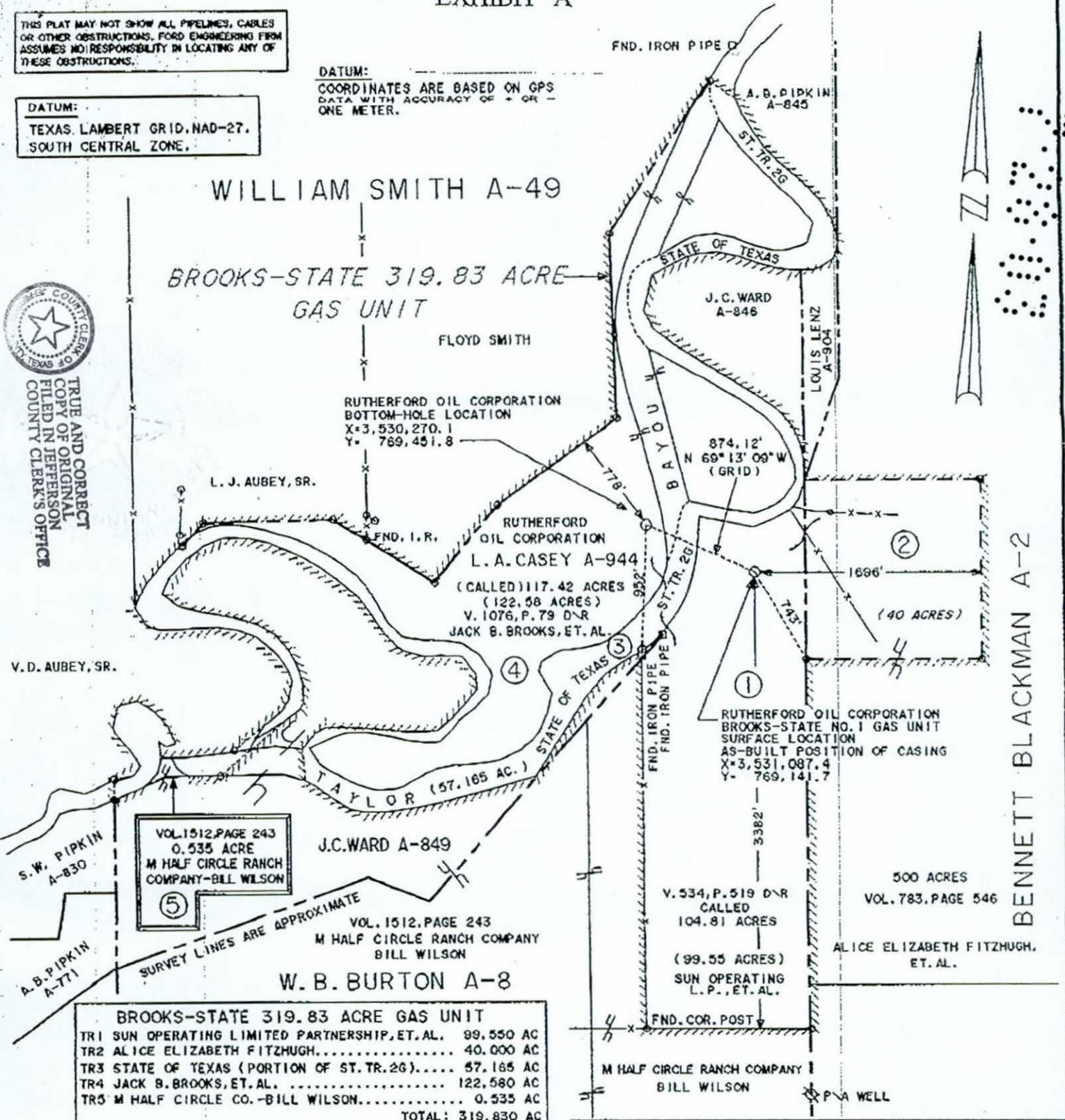
THIS PLAT MAY NOT SHOW ALL PIPELINES, CABLES OR OTHER OBSTRUCTIONS. FORD ENGINEERING FIRM ASSUMES NO RESPONSIBILITY IN LOCATING ANY OF THESE OBSTRUCTIONS.

DATUM:
TEXAS LAMBERT GRID, NAD-27,
SOUTH CENTRAL ZONE.

DATUM:
COORDINATES ARE BASED ON GPS
DATA WITH ACCURACY OF + OR -
ONE METER.

CLERK OF COURTS
JEFFERSON COUNTY TEXAS
TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN JEFFERSON
COUNTY CLERK'S OFFICE

WILLIAM SMITH A-49
BROOKS-STATE 319.83 ACRE
GAS UNIT



VOL. 1512, PAGE 243
0.535 ACRE
M HALF CIRCLE RANCH
COMPANY-BILL WILSON

VOL. 1512, PAGE 243
M HALF CIRCLE RANCH COMPANY
BILL WILSON

BROOKS-STATE 319.83 ACRE GAS UNIT

TR1 SUN OPERATING LIMITED PARTNERSHIP, ET. AL.	99.550 AC
TR2 ALICE ELIZABETH FITZHUGH.....	40.000 AC
TR3 STATE OF TEXAS (PORTION OF ST. TR. 26).....	57.165 AC
TR4 JACK B. BROOKS, ET. AL.	122.580 AC
TR5 M HALF CIRCLE CO.-BILL WILSON.....	0.535 AC
TOTAL:	319.830 AC

★ SEE ACCOMPANYING DESCRIPTION FOR METES & BOUNDS ON BROOKS-STATE 319.83 ACRE GAS UNIT.

THE ABOVE PLAT AND ACCOMPANYING DESCRIPTION WERE PREPARED FROM AN ACTUAL SURVEY AND RECORDED INFORMATION. THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS 28TH DAY OF SEPTEMBER, 1999.

FORD ENGINEERING FIRM
CIVIL ENGINEERS AND SURVEYORS

BY *Deward Gail Ford*
DEWARD GAIL FORD
REG. PROFESSIONAL LAND SURVEYOR OF TEXAS NO. 348

REVISED: 02-04-03
REVISED: 11-30-99
TAYLOR, CRD (LATER 12)

RUTHERFORD OIL CORPORATION	
BROOKS-STATE 319.83 ACRE GAS UNIT	
VARIOUS SURVEYS	
JEFFERSON COUNTY, TEXAS	
FORD ENGINEERING FIRM • VICTORIA, TEXAS • 361-573-3249	
SCALE: 1" = 1000'	DATE: 9-28-99
JOB NO.: 9-799-R / 11-103-R	
JEFF. 99-5	DRAWN BY: JRG
	CHECKED BY: DVH

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Sandy Walker

2003 Jul 21 08:17 AM

2003028785

JAMES \$38.00

SANDY WALKER COUNTY CLERK

JEFFERSON COUNTY TEXAS

I CERTIFY THIS IS A TRUE COPY
Witness my Hand and Seal of Office

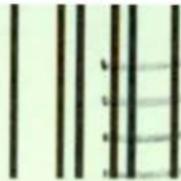
JUL 21 2003

SANDY WALKER, COUNTY CLERK
JEFFERSON COUNTY, TEXAS

BY *Barbara James* DEPUTY
BARBARA JAMES

File No. M-100526
Ltr. From Luther Ford with
Recorded pooling agreement
Date Filed: 11-21-63
Jerry E. Patterson, Commissioner
By Daryl Morgan

UNITED STATES POSTAL SERVICE



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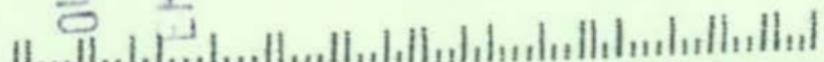
GENERAL LAND OFFICE

TEXAS GENERAL LAND OFFICE
P O BOX 12873
AUSTIN TX 78711-2873

03111

Shirley Chen Room 600 MF 100526

RECEIVED
ENERGY RESOURCES
04 FEB - 2 AM 10 35



SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

Lutherford Oil Corp.
 5 E Greenway PLZ SE7220
 HOUSTON TX 77046-0597

Article Number

(Transfer from service label)

7000 0520 0024 5631 4081

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

H. Sambildy

 Agent Addressee

B. Received by (Printed Name)

H. Sambildy

C. Date of Delivery

11/29/04

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

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

January 27, 2004

CERTIFIED MAIL 70000520002456314081

RUTHERFORD OIL CORPORATION
5 E GREENWAY PLZ STE 220
HOUSTON, TX 77046-0597

RE: Notice of underpayment on State Lease(s) MF100526, MF100792

Dear Mr. Ross:

The Royalty Audit Division of the Texas General Land Office has completed a limited review of the above-referenced lease operated by RUTHERFORD OIL CORPORATION. Through this review, it was determined that \$739.03 has been underpaid to the State for the reporting period of January 2000, July 2003, October 2003 and November 2003. This amount is comprised of \$488.30 in additional royalty, \$106.29 in penalty, and \$144.44 in interest, which has been computed through 2/20/2004, 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 25 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.

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment, including filing a statutory first lien on all production pursuant to Texas Natural Resources Code section 52.136. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by RUTHERFORD OIL CORPORATION or from examining these or other issues and time periods in a future inspection of your books, accounts, reports, or other records.

If you have any questions, please call me at (512) 463-5408.

Sincerely,

Shirley Chou, Accounts Examiner
Royalty Management
Energy Resources 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

ATTACHMENT I

REVIEW SUMMARY

State Lease: MF100526, MF100792

We have reviewed our records for the period of September 1998 through November 2003 to determine whether or not royalty for oil and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that the oil royalty and the gas royalty were under paid on "Brooks State Gas Unit " lease for January 2000, July 2003, October 2003 and November 2003.

We have concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$175.43	\$75.00	\$2.70	\$253.13

Gas Summary

Royalty	Penalty	Interest	Total
\$312.87	\$31.29	\$141.74	\$485.90

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$488.30	\$106.29	\$144.44	\$739.03

ATTACHMENT II

RUTHERFORD OIL CORPORATION
 STATE LEASE M-100526,100792
 FIELD NAME: TAYLORS BAYOU (HACKBERRY III)
 LEASE NAME: BROOKS STATE GAS UNIT
 JEFFERSON COUNTY, TEXAS
 RRC GAS WELL 03-177232,185030
 STATE'S ROYALTY DECIMAL .200,.0625

AUDITOR: S CHOU
 FILE NAME: M-100526
 DATE: 1/27/04

PENALTY/
 INTEREST DATE:

02/20/04

WELL#1 MF100526 UNIT ROYALTY =.1787356 (TP) *.200=.0357471
 MF100792 UNIT ROYALTY =.6916304 (TP)*.0625=.0432269
 TOTAL UNIT ROYALTY FOR WELL #1=.0357471+.0432269=.07897400

WELL#2 MF100526 UNIT ROYALTY =.1787356 (TP) *.200=.0357471
 MF100792 UNIT ROYALTY =.38326612 (TP)*.0625=.02395414
 TOTAL UNIT ROYALTY FOR WELL #2=.0357471+.002395414=.05970124

CALCULATION OF UNDER PAID ROYALTIES

MF100526				PRICE ON	GROSS	UNIT ROYALTY		ROYALTY ON	ROYALTY
MONTH	WELL #1	WELL #2	TOTAL	GLO-1	AMOUNT	DECIMAL	ROYALTY DUE	GLO-3	UNDER PAID
200307	221	194	415	30.962407	12849.40	0.0357471	459.33	427.14	32.19
200310	11	192	203	29.324662	5952.91	0.0357471	212.80	201.09	11.71
200311	238	82	320	29.856177	9553.98	0.0357471	341.53	308.30	33.23

MF100792				PRICE ON	GROSS	UNIT ROYALTY		TOTAL	ROYALTY ON	ROYALTY
MONTH	WELL #1	WELL #2	TOTAL	GLO-1	AMOUNT	DECIMAL	ROYALTY DUE	ROYALTY DUE	GLO-3	UNDER PAID
200307	221	0	221	30.962407	6842.69	0.0432269	295.79			
200307	0	194	194	30.962407	6006.71	0.0239541	143.89	439.67	400.67	39.00
200310	11	0	11	29.324662	322.57	0.0432269	13.94			
200310	0	192	192	29.324662	5630.34	0.0239541	134.87	148.81	134.75	14.06
200311	238	0	238	29.856177	7105.77	0.0432269	307.16			
200311	0	82	82	29.856177	2448.21	0.0239541	58.64	365.81	320.57	45.24

SUMMARY OF MF100526 AND MF100792

MONTH	ROYALTY DUE	ROYALTY ON GLO-3
200307	899.00	827.81
200310	361.61	335.84
200311	707.34	628.87

ATTACHMENT II

RUTHERFORD OIL CORPORATION
 STATE LEASE M-100526,100792
 FIELD NAME: TAYLORS BAYOU (HACKBERRY III)
 LEASE NAME: BROOKS STATE GAS UNIT
 JEFFERSON COUNTY, TEXAS
 RRC GAS WELL 03-177232,185030
 STATE'S ROYALTY DECIMAL .200,.0625

AUDITOR: S CHOU
 FILE NAME: M-100526
 DATE: 1/27/2004

PENALTY/
 INTEREST DATE:

02/20/04

	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH/ YEAR	UNIT ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Jul-03	899.00	827.81	71.19	168	25.00	2.55	98.74
Oct-03	361.61	335.84	25.77	77	25.00	0.15	50.92
Nov-03	707.34	628.87	78.47	46	25.00	0.00	103.47
	1,967.95	1,792.52	175.43		75.00	2.70	253.13

COMMENTS:

(A) RRC VOLUME - SEE PAGE 1 FOR THE DETAILS.

(B) PRICE - SEE PAGE 1 FOR THE DETAILS.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

ATTACHMENT II

RUTHERFORD OIL CORPORATION
 STATE LEASE M-100526,100792
 FIELD NAME: TAYLORS BAYOU (HACKBERRY III)
 LEASE NAME: BROOKS STATE GAS UNIT
 JEFFERSON COUNTY, TEXAS
 RRC GAS WELL 03-177232
 STATE'S ROYALTY DECIMAL .200,.0625

AUDITOR: S CHOU
 FILE NAME: M-100526
 DATE: 01/27/2004

PENALTY/
 INTEREST DATE:

02/20/04

WELL#1 MF100526 UNIT ROYALTY =.1787356 (TP) *.200=.0357471
 MF100792 UNIT ROYALTY =.6916304 (TP)*.0625=.0432269
 TOTAL UNIT ROYALTY FOR WELL #1=.0357471+.0432269=.07897400

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
MONTH/ YEAR	RRC VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	UNIT ROYALTY DUE (4) X (.07897400)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Jan-00	1,395	2.8399	1,000	3,961.66	312.87	0.00	312.87	1437	31.29	141.74	485.90
	1,395			3,961.66	312.87	0.00	312.87		31.29	141.74	485.90

COMMENTS:

- (A) RRC VOLUME - REPRESENTS GAS DISPOSITIONS FROM RRC WELL ID# 03-177232.
- (B) PRICE/BTU - THERE WAS NO GLO-2 REPORT RECEIVED, THE PRICE WAS OBTAINED FROM THE HIGHEST COUNTY GAS PRICE REPORTED TO GLO.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

ATTACHMENT III

**SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES
FOR DELINQUENT ROYALTIES AND DELINQUENT
REQUIRED REPORTS OR DOCUMENTS**

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
<u>PENALTY (3)</u>			
• For delinquent royalty	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
• For delinquent report, affidavit, or other document	NONE	\$5.00 per document for each 30-day period of delinquency	For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00 \$10.00 per document for each 30-day period of delinquency
<u>INTEREST</u>			
• For delinquent royalty	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.

18

File No. 100526
Billing letter

Date Filed: 1-27-04
Jerry E. Patterson, Commissioner

By S. Chow

RUTHERFORD OIL CORPORATION

5 EAST GREENWAY PLAZA, SUITE 220

HOUSTON, TEXAS 77046

TEL:(713) 622-5555

FAX:(713) 621-7072

February 3, 2004

Texas General Land Office
c/o Shirley Chou, Accounts Examiner
1700 North Congress Ave.
Austin, Texas 78711-2873

RE: Refund on State Lease(s) MF100526, MF100792 along with underpayment

Dear Mrs. Chou,

I have received your letter dated January 27, 2004 on the underpayment of \$739.03 that reflects the royalty, penalty and interest on State Lease(s) MF100526 and MF100792. I am in agreement on the royalty due of \$488.30 that corresponds to January 2000 along with July, October and November 2003.

At this time Rutherford Oil Corporation request that the penalty and interest be waved in the amount of \$250.73, for attached you will find reports that show the General Land Office owes Rutherford Oil Corporation \$10,786.87 net of the \$488.30 you have requested. This overpayment is due to a interest change with in the General Land Office's royalty that goes back to first production on both the MF100526 and MF100792.

In requesting the refund I have been unable to determine the correct way to file for a refund through the electronic filing system the General Land Office now uses especially with the number of months involved.

Your assistance in this matter would be greatly appericated.

Sincerely,



Ronald H. Ross
713-964-3403
RHR6987@aol.com

RECEIVED

04 FEB -6 PM

ENERGY RES



Rutherford Oil Corporation

GAS Brooks State Gas Unit

Month	Well # 1	Well # 2	Well # 1	Well # 2	Royalty On GLO - 3	Royalty Over Paid
	Unit Royalty	Unit Royalty	Unit Royalty	Unit Royalty		
	Decimal	Decimal	Decimal	Decimal		
	MF 100526	MF 100526	MF 100792	MF 100792		
200001	141.62	0.00	171.25	0.00		312.87
200003	1522.28	0.00	1840.80	0.00	3377.30	-14.22
200004	22731.57	0.00	27487.97	0.00	50432.46	-212.92
200005	24687.30	0.00	29852.93	0.00	54771.48	-231.25
* 200006	34232.16 ✓	0.00	41394.97 ✓	0.00	75947.70 75937.70	-310.57 320.57
200007	35493.86	0.00	42920.67	0.00	78746.90	-332.37
200008	33401.79	0.00	40390.85	0.00	74105.26	-312.62
200009	39953.85	0.00	48313.88	0.00	88642.05	-374.32
200010	46178.51	0.00	55841.00	0.00	102451.99	-432.48
200011	37054.06	0.00	44807.33	0.00	82208.51	-347.12
200012	50145.45	0.00	60637.99	0.00	111252.92	-469.48
200101	79917.14	0.00	96639.17	0.00	177304.94	-748.63
200102	43507.97	0.00	52611.68	0.00	96526.31	-406.66
200103	38363.79	0.00	46391.11	0.00	85114.15	-359.25
200104	42029.42	0.00	50823.75	0.00	93246.48	-393.31
200105	30571.60	23821.32	36968.47 ✓ OK	15962.67 ✓ OK	107833.43	-509.37
200106	24016.09	17089.42	29041.26	11451.63	82586.78	-988.38
200107	20864.09	15646.83	25229.73	10484.95	72567.36	-341.76
200108	20605.42	15478.12	24916.94	10371.89	71710.13	-337.76
200109	14660.79	10706.29	17728.45	7174.29	50507.23	-237.41
200110	11063.87	7934.68	13378.89	5317.03	37872.14	-177.67
200111	17452.01	12381.59	21103.71	8296.90	59513.48	-279.27
200112	11697.33	8851.62	14144.90	5931.47	40817.54	-192.22
200201	12900.64	10398.68	15600.00	6968.16	46085.76	-218.28
200202	8031.85	6714.85	9712.45	4499.63	29096.95	-138.17
200203	9628.70	8143.06	11643.43	5456.66	35038.39	-166.54
200204	11795.90	10584.41	14264.10	7092.62	43946.41	-209.38
200205	10657.44	10157.80	12887.43	6806.74	40704.54	-195.13
200206	9987.68	10311.25	12077.52	6909.57	39475.74	-189.72
200207	8901.78	8896.80	10764.40	5961.75	34691.43	-166.70
200208	6441.61	7371.05	7789.47	4939.34	26670.59	-129.12
200209	6755.84	8978.37	8169.45	6016.41	30067.27	-147.20
200210	7075.07	10962.82	8555.48	7346.19	34108.69	-169.13
* 200211	7632.15	11323.59	9229.11	7587.94	35829.53	-56.74 -176.92
200212	7571.84	11243.45	9156.18	7534.24	35682.30	-176.59
200301	8990.46	12870.28	10871.64	8624.38	41562.08	-205.32
200302	8228.12	11631.58	9949.79	7794.33	37789.82	-186.00
200303	13849.19	22671.81	16747.03	15192.38	68802.83	-342.42
200304	6926.05	11431.27	8375.27	7660.10	34563.90	-171.21
200305	6366.48	11240.77	7698.62	7532.44	32837.71	0.60
200306	6739.13	11204.84	8149.24	7508.37	33601.50	0.08
200307	5146.87	11175.84	6223.81	7488.93	30035.04	0.41
200308	4162.01	8936.59	5032.88	5988.41	24119.91	-0.02
200309	3021.95	9606.30	3654.26	6437.18	22720.19	-0.50
200310	3557.30	7471.77	4301.64	5006.84	20337.21	0.34
200311	3264.96	6965.51	3948.13	4667.59	18845.83	0.36
200312	3541.38	7418.24	4282.38	4970.96	20213.01	-0.05

-10562.60

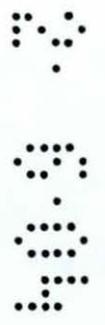


Rutherford Oil Corporation

Brooks Gas Unit # 1 Gas

Month	Well # 1	Lse Use	Total	Price On	BTU On	Gross	Unit Royalty	Royalty Due	Unit Royalty	Royalty Due
				GLO - 2	GLO - 2	Amount	Decimal		Decimal	
200001	1395		1395	2.839900	1.000000	3961.66	0.0357471	141.62	0.043227	171.25
200003	15898		15898	2.496000	1.073163	42584.62	0.0357471	1522.28	0.043227	1840.80
200004	218335	180	218515	2.784000	1.045293	635899.75	0.0357471	22731.57	0.043227	27487.97
200005	223260	186	223446	2.956800	1.045294	690609.94	0.0357471	24687.30	0.043227	29852.93
200006	217077	180	217257	4.204800	1.048273	957620.69	0.0357471	34232.16	0.043227	41394.97
200007	225078	186	225264	4.204800	1.048275	992915.67	0.0357471	35493.86	0.043227	42920.67
200008	239903	186	240089	3.705600	1.050263	934391.47	0.0357471	33401.79	0.043227	40390.85
200009	239181	180	239361	4.454400	1.048275	1117680.91	0.0357471	39953.85	0.043227	48313.88
200010	241786	186	241972	5.088000	1.049269	1291811.24	0.0357471	46178.51	0.043227	55841.00
200011	228811	180	228991	4.310000	1.050266	1036561.30	0.0357471	37054.06	0.043227	44807.33
200012	228563	186	228749	5.850000	1.048276	1402783.71	0.0357471	50145.45	0.043227	60637.99
200101	220113	186	220299	9.690000	1.047280	2235625.80	0.0357471	79917.14	0.043227	96639.17
200102	190120	168	190288	6.090000	1.050266	1217104.99	0.0357471	43507.97	0.043227	52611.68
200103	209804	186	209990	4.880000	1.047279	1073200.10	0.0357471	38363.79	0.043227	46391.11
200104	214279	180	214459	5.220000	1.050262	1175743.54	0.0357471	42029.42	0.043227	50823.75
200105	171094	186	171280	4.760000	1.048972	855219.02	0.0357471	30571.60	0.043227	36968.47
200106	176425	180	176605	3.630000	1.047977	671833.13	0.0357471	24016.09	0.043227	29041.26
200107	177772	186	177958	3.129600	1.047978	583658.15	0.0357471	20864.09	0.043227	25229.73
200108	176483	186	176669	3.110400	1.048972	576422.01	0.0357471	20605.42	0.043227	24916.94
200109	169903	180	170083	2.294400	1.050961	410125.34	0.0357471	14660.79	0.043227	17728.45
200110	165055	186	165241	1.785600	1.048972	309503.87	0.0357471	11063.87	0.043227	13378.89
200111	154913	180	155093	2.995200	1.050961	488207.79	0.0357471	17452.01	0.043227	21103.71
200112	140961	186	141147	2.208000	1.049966	327224.48	0.0357471	11697.33	0.043227	14144.90
200201	136732	186	136918	2.505600	1.051957	360886.35	0.0357471	12900.64	0.043227	15600.00
200202	111498	168	111666	1.920000	1.047978	224685.22	0.0357471	8031.85	0.043227	9712.45
200203	111264	186	111450	2.304000	1.048973	269356.12	0.0357471	9628.70	0.043227	11643.43
200204	95824	180	96004	3.273600	1.049966	329982.07	0.0357471	11795.90	0.043227	14264.10
200205	87843	186	88029	3.225600	1.049968	298134.44	0.0357471	10657.44	0.043227	12887.43
200206	82049	180	82229	3.235200	1.050262	279398.32	0.0357471	9987.68	0.043227	12077.52
200207	74892	186	75078	3.168000	1.046979	249020.93	0.0357471	8901.78	0.043227	10764.40
200208	60270	124	60394	2.851200	1.046483	180199.61	0.0357471	6441.61	0.043227	7789.47
200209	56370	120	56490	3.177600	1.052853	188989.91	0.0357471	6755.84	0.043227	8169.45
200210	53907	124	54031	3.494400	1.048273	197920.17	0.0357471	7075.07	0.043227	8555.48
* 200211	51597	120	51717	3.930000	1.050461	213503.97	0.0357471	7632.15	0.043227	9229.11
200212	51579	124	51703	3.900000	1.050461	211816.80	0.0357471	7571.84	0.043227	9156.18
200301	51870	124	51994	4.610000	1.049269	251501.68	0.0357471	8990.46	0.043227	10871.64
200302	41538	112	41650	5.290000	1.044694	230175.92	0.0357471	8228.12	0.043227	9949.79
200303	42835	124	42959	8.640000	1.043796	387421.41	0.0357471	13849.19	0.043227	16747.03
200304	38481	120	38601	4.780000	1.050070	193751.27	0.0357471	6926.05	0.043227	8375.27
200305	35318	124	35442	4.790000	1.049071	178097.81	0.0357471	6366.48	0.043227	7698.62
200306	31613	120	31733	5.670000	1.047777	188522.48	0.0357471	6739.13	0.043227	8149.24
200307	26436	124	26560	5.160000	1.050569	143980.10	0.0357471	5146.87	0.043227	6223.81
200308	24798	124	24922	4.460000	1.047478	116429.41	0.0357471	4162.01	0.043227	5032.88
200309	17342	120	17462	4.620000	1.047876	84536.80	0.0357471	3021.95	0.043227	3654.26
200310	23152	124	23276	4.060000	1.053042	99513.04	0.0357471	3557.30	0.043227	4301.64
200311	21175	120	21295	4.090000	1.048665	91335.09	0.0357471	3264.96	0.043227	3948.13
200312	20988	124	21112	4.490000	1.045094	99067.52	0.0357471	3541.38	0.043227	4282.38

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Rutherford Oil Corporation

Brooks Gas Unit # 2 Gas

Month	Well # 2	Lse Use	Total	Price On	BTU On	Gross	Unit Royalty	Royalty Due	Unit Royalty	Royalty Due
				GLO - 2	GLO - 2	Amount	Decimal		Decimal	
200001			0	2.839900	1.000000	0.00	0.0357471	0.00	0.023954	0.00
200003			0	2.496000	1.073163	0.00	0.0357471	0.00	0.023954	0.00
200004			0	2.784000	1.045293	0.00	0.0357471	0.00	0.023954	0.00
200005			0	2.956800	1.045294	0.00	0.0357471	0.00	0.023954	0.00
200006			0	4.204800	1.048273	0.00	0.0357471	0.00	0.023954	0.00
200007			0	4.204800	1.048275	0.00	0.0357471	0.00	0.023954	0.00
200008			0	3.705600	1.050263	0.00	0.0357471	0.00	0.023954	0.00
200009			0	4.454400	1.048275	0.00	0.0357471	0.00	0.023954	0.00
200010			0	5.088000	1.049269	0.00	0.0357471	0.00	0.023954	0.00
200011			0	4.310000	1.050266	0.00	0.0357471	0.00	0.023954	0.00
200012			0	5.850000	1.048276	0.00	0.0357471	0.00	0.023954	0.00
200101			0	9.690000	1.047280	0.00	0.0357471	0.00	0.023954	0.00
200102			0	6.090000	1.050266	0.00	0.0357471	0.00	0.023954	0.00
200103			0	4.880000	1.047279	0.00	0.0357471	0.00	0.023954	0.00
200104			0	5.220000	1.050262	0.00	0.0357471	0.00	0.023954	0.00
200105	133281	180	133461	4.760000	1.048972	666384.78	0.0357471	23821.32	0.023954	15962.67
200106	125489	180	125669	3.630000	1.047977	478064.59	0.0357471	17089.42	0.023954	11451.63
200107	133272	186	133458	3.129600	1.047978	437709.18	0.0357471	15646.83	0.023954	10484.95
200108	132522	186	132708	3.110400	1.048972	432989.44	0.0357471	15478.12	0.023954	10371.89
200109	124026	180	124206	2.294400	1.050961	299501.00	0.0357471	10706.29	0.023954	7174.29
200110	118320	186	118506	1.785600	1.048972	221967.10	0.0357471	7934.68	0.023954	5317.03
200111	109853	180	110033	2.995200	1.050961	346366.16	0.0357471	12381.59	0.023954	8296.90
200112	106623	186	106809	2.208000	1.049966	247617.87	0.0357471	8851.62	0.023954	5931.47
200201	110178	186	110364	2.505600	1.051957	290895.72	0.0357471	10398.68	0.023954	6968.16
200202	93188	168	93356	1.920000	1.047978	187843.33	0.0357471	6714.85	0.023954	4499.63
200203	94068	186	94254	2.304000	1.048973	227796.25	0.0357471	8143.06	0.023954	5456.66
200204	85964	180	86144	3.273600	1.049966	296091.57	0.0357471	10584.41	0.023954	7092.62
200205	83716	186	83902	3.225600	1.049968	284157.22	0.0357471	10157.80	0.023954	6806.74
200206	84713	180	84893	3.235200	1.050262	288450.08	0.0357471	10311.25	0.023954	6909.57
200207	74862	174	75036	3.168000	1.046979	248881.63	0.0357471	8896.80	0.023954	5961.75
200208	68984	124	69108	2.851200	1.046483	206199.86	0.0357471	7371.05	0.023954	4939.34
200209	74954	120	75074	3.177600	1.052853	251163.54	0.0357471	8978.37	0.023954	6016.41
200210	83597	124	83721	3.494400	1.048273	306677.17	0.0357471	10962.82	0.023954	7346.19
200211	76611	120	76731	3.930000	1.050461	316769.60	0.0357471	11323.59	0.023954	7587.94
200212	76650	124	76774	3.900000	1.050461	314527.65	0.0357471	11243.45	0.023954	7534.24
200301	74308	124	74432	4.610000	1.049269	360037.17	0.0357471	12870.28	0.023954	8624.38
200302	58778	100	58878	5.290000	1.044694	325385.30	0.0357471	11631.58	0.023954	7794.33
200303	70202	124	70326	8.640000	1.043796	634227.93	0.0357471	22671.81	0.023954	15192.38
200304	63590	120	63710	4.780000	1.050070	319781.70	0.0357471	11431.27	0.023954	7660.10
200305	62453	124	62577	4.790000	1.049071	314452.53	0.0357471	11240.77	0.023954	7532.44
200306	52641	120	52761	5.670000	1.047777	313447.65	0.0357471	11204.84	0.023954	7508.37
200307	57548	124	57672	5.160000	1.050569	312636.31	0.0357471	11175.84	0.023954	7488.93
200308	53388	124	53512	4.460000	1.047478	249994.80	0.0357471	8936.59	0.023954	5988.41
200309	55389	120	55509	4.620000	1.047876	268729.42	0.0357471	9606.30	0.023954	6437.18
200310	48765	124	48889	4.060000	1.053042	209017.58	0.0357471	7471.77	0.023954	5006.84
200311	45311	120	45431	4.090000	1.048665	194855.34	0.0357471	6965.51	0.023954	4667.59
200312	44100	124	44224	4.490000	1.045094	207519.98	0.0357471	7418.24	0.023954	4970.96

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Rutherford Oil Corporation

COND. Brooks State Gas Unit

Month	Well # 1	Well # 2	Well # 1	Well # 2
	Unit Royalty	Unit Royalty	Unit Royalty	Unit Royalty
	Decimal	Decimal	Decimal	Decimal
	MF 100526	MF 100526	MF 100792	MF 100792

Royalty On	Royalty
GLO - 3	Over Paid

200001						
200003						
200004	2268.29	0.00	2742.92	0.00	5031.84	-20.63 ✓
200005	2220.68	0.00	2685.35	0.00	4920.00	-13.97
200006	2350.36	0.00	2842.16	0.00	5213.40	-20.88 ✓
200007	2460.96	0.00	2975.90	0.00	5459.12	-22.26 ✓
200008	3028.30	0.00	3661.96	0.00	6717.23	-26.97 ✓
200009	2942.25	0.00	3557.90	0.00	6528.81	-28.66 ✓
200010	2473.21	0.00	2990.72	0.00	5485.99	-22.06 ✓
200011	3279.13	0.00	3965.27	0.00	7273.18	-28.78 ✓
200012	2157.67	0.00	2609.16	0.00	4786.48	-19.65 ✓
200101	2023.96	0.00	2447.46	0.00	4489.50	-18.08 ✓
200102	2081.53	0.00	2517.08	0.00	4617.06	-18.45 ✓
200103	1696.44	0.00	2051.41	0.00	3764.48	-16.63 ✓
200104	2051.74	0.00	2481.05	0.00	4551.00	-18.21 ✓
200105	1772.23	744.64	2143.06	498.98	5179.58	-20.67 ✓
200106	1354.36	1190.66	1637.76	797.86	5004.25	-23.61 ✓
200107	1304.07	969.60	1576.95	649.73	4520.41	-20.06 ✓
200108	1502.23	1008.07	1816.56	675.51	5026.69	-24.32 ✓
200109	1300.59	647.56	1572.74	433.93	3973.60	-18.78 ✓
200110	1095.31	938.94	1324.50	629.19	4004.22	-16.28 ✓
200111	723.29	492.66	874.63	330.13	2429.98	-9.27 ✓
200112	691.75	453.26	836.50	303.73	2292.08	-6.84 ✓
200201	841.85	471.15	1018.00	315.72	2657.13	-10.41 ✓
200202	517.78	499.28	626.12	334.57	1983.88	-6.13 ✓
200203	594.16	591.69	718.48	396.49	2312.25	-11.43 ✓
200204	634.86	630.46	767.70	422.47	2464.64	-9.15 ✓
200205	667.43	653.66	807.08	438.02	2570.51	-4.32 ✓
200206	333.07	317.80	402.76	212.96	1265.23	1.36 ✓
200207	671.95	639.95	812.55	428.83	2548.23	5.05 ✓
200208	346.39	343.49	418.87	230.17	1343.52	-4.60 ✓
200209	377.77	417.54	456.82	279.79	1537.87	-5.95 ✓
200210	350.84	642.21	424.25	430.34	1846.53	1.11 ✓
200211	331.42	345.87	400.77	231.77	1312.06	-2.23 ✓
200212	222.65	589.25	269.24	394.86	1472.33	3.67 ✓
200301	473.63	445.16	572.73	298.30	1781.03	8.79 ✓
200302	297.97	248.86	360.32	166.76	1052.61	21.30 ✓
200303	242.21	464.97	292.90	311.58	1311.22	0.44 ✓
200304	231.23	409.51	279.62	274.41	1184.80	9.97 ✓
200305	210.21	390.23	254.20	261.49	1111.59	4.54 ✓
200306	211.39	198.89	255.63	133.28	795.72	3.47 ✓
200307	244.61	214.72	295.79	143.89	827.81	71.20 ✓
200308	17.76	417.05	21.47	279.46	726.19	9.55 ✓
200309	190.84	191.78	230.77	128.51	741.57	193 32 0.33 ✓
200310	11.53	201.27	13.94	134.87	335.84	25.77 ✓
200311	254.01	87.52	307.16	58.64	628.87	78.46 ✓
200312	0.00	0.00	0.00	0.00	0.00	0.00

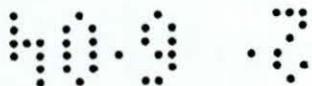
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Rutherford Oil Corporation
Brooks Gas Unitr # 1

Month	Well # 1	Price On GLO - 1	Gross Amount	Unit Royalty	Royalty Due	Unit Royalty	Royalty Due
				Decimal MF 100526		Decimal MF 100792	
200003							
200004	2539	24.991681	63453.88	0.0357471	2268.29	0.043227	2742.92
200005	2194 ✓	28.314535	62122.09	0.0357471	2220.68	0.043227	2685.35
200006	2133	30.825002	65749.73	0.0357471	2350.36	0.043227	2842.16
200007	2342	29.395183	68843.52	0.0357471	2460.96	0.043227	2975.90
200008	2779	30.483870	84714.67	0.0357471	3028.30	0.043227	3661.96
200009	2486	33.108323	82307.29	0.0357471	2942.25	0.043227	3557.90
200010	2148	32.209680	69186.39	0.0357471	2473.21	0.043227	2990.72
200011	2722	33.700000	91731.40	0.0357471	3279.13	0.043227	3965.27
200012	2184	27.637108	60359.44	0.0357471	2157.67	0.043227	2609.16
200101	1976	28.653246	56618.81	0.0357471	2023.96	0.043227	2447.46
200102	2011	28.955368	58229.25	0.0357471	2081.53	0.043227	2517.08
200103	1793	26.467752	47456.68	0.0357471	1696.44	0.043227	2051.41
200104	2151	26.683345	57395.88	0.0357471	2051.74	0.043227	2481.05
200105	1785	27.774197	49576.94	0.0357471	1772.23	0.043227	2143.06
200106	1423	26.624990	37887.36	0.0357471	1354.36	0.043227	1637.76
200107	1427	25.564512	36480.56	0.0357471	1304.07	0.043227	1576.95
200108	1596	26.330644	42023.71	0.0357471	1502.23	0.043227	1816.56
200109	1424	25.550016	36383.22	0.0357471	1300.59	0.043227	1572.74
200110	1443	21.233880	30640.49	0.0357471	1095.31	0.043227	1324.50
200111	1082	18.700000	20233.40	0.0357471	723.29	0.043227	874.63
200112	1079	17.934505	19351.33	0.0357471	691.75	0.043227	836.50
200201	1299	18.129418	23550.11	0.0357471	841.85	0.043227	1018.00
200202	756	19.159270	14484.41	0.0357471	517.78	0.043227	626.12
200203	724	22.957308	16621.09	0.0357471	594.16	0.043227	718.48
200204	721	24.632073	17759.72	0.0357471	634.86	0.043227	767.70
200205	727	25.682041	18670.84	0.0357471	667.43	0.043227	807.08
200206	371	25.114034	9317.31	0.0357471	333.07	0.043227	402.76
200207	735	25.574494	18797.25	0.0357471	671.95	0.043227	812.55
200208	358	27.067355	9690.11	0.0357471	346.39	0.043227	418.87
200209	361	29.274049	10567.93	0.0357471	377.77	0.043227	456.82
200210	354	27.724252	9814.39	0.0357471	350.84	0.043227	424.25
200211	367	25.262617	9271.38	0.0357471	331.42	0.043227	400.77
200212	215	28.970039	6228.56	0.0357471	222.65	0.043227	269.24
200301	416	31.849479	13249.38	0.0357471	473.63	0.043227	572.73
200302	234	35.622101	8335.57	0.0357471	297.97	0.043227	360.32
200303	203	33.378275	6775.79	0.0357471	242.21	0.043227	292.90
200304	223	29.007090	6468.58	0.0357471	231.23	0.043227	279.62
200305	205	28.685790	5880.59	0.0357471	210.21	0.043227	254.20
200306	199	29.716579	5913.60	0.0357471	211.39	0.043227	255.63
200307	221	30.962407	6842.69	0.0357471	244.61	0.043227	295.79
200308	16	31.049609	496.79	0.0357471	17.76	0.043227	21.47
200309	195	27.377628	5338.64	0.0357471	190.84	0.043227	230.77
200310	11	29.324662	322.57	0.0357471	11.53	0.043227	13.94
200311	238	29.856177	7105.77	0.0357471	254.01	0.043227	307.16



Rutherford Oil Corporation
Brooks Gas Unit # 2

Month	Well # 2	Price On GLO - 1	Gross Amount	Unit Royalty	Royalty Due	Unit Royalty	Royalty Due
				Decimal MF 100526		Decimal MF 100792	
200003				0.0357471		0.023954	
200004	0	24.991681	0.00	0.0357471	0.00	0.023954	0.00
200005	0	28.314535	0.00	0.0357471	0.00	0.023954	0.00
200006	0	30.825002	0.00	0.0357471	0.00	0.023954	0.00
200007	0	29.395183	0.00	0.0357471	0.00	0.023954	0.00
200008	0	30.483870	0.00	0.0357471	0.00	0.023954	0.00
200009	0	33.108323	0.00	0.0357471	0.00	0.023954	0.00
200010	0	32.209680	0.00	0.0357471	0.00	0.023954	0.00
200011	0	33.700000	0.00	0.0357471	0.00	0.023954	0.00
200012	0	27.637108	0.00	0.0357471	0.00	0.023954	0.00
200101	0	28.653246	0.00	0.0357471	0.00	0.023954	0.00
200102	0	28.955368	0.00	0.0357471	0.00	0.023954	0.00
200103	0	26.467752	0.00	0.0357471	0.00	0.023954	0.00
200104	0	26.683345	0.00	0.0357471	0.00	0.023954	0.00
200105	750	27.774197	20830.65	0.0357471	744.64	0.023954	498.98
200106	1251	26.624990	33307.86	0.0357471	1190.66	0.023954	797.86
200107	1061	25.564512	27123.95	0.0357471	969.60	0.023954	649.73
200108	1071	26.330644	28200.12	0.0357471	1008.07	0.023954	675.51
200109	709	25.550016	18114.96	0.0357471	647.56	0.023954	433.93
200110	1237	21.233880	26266.31	0.0357471	938.94	0.023954	629.19
200111	737	18.700000	13781.90	0.0357471	492.66	0.023954	330.13
200112	707	17.934505	12679.70	0.0357471	453.26	0.023954	303.73
200201	727	18.129418	13180.09	0.0357471	471.15	0.023954	315.72
200202	729	19.159270	13967.11	0.0357471	499.28	0.023954	334.57
200203	721	22.957308	16552.22	0.0357471	591.69	0.023954	396.49
200204	716	24.632073	17636.56	0.0357471	630.46	0.023954	422.47
200205	712	25.682041	18285.61	0.0357471	653.66	0.023954	438.02
200206	354	25.114034	8890.37	0.0357471	317.80	0.023954	212.96
200207	700	25.574494	17902.15	0.0357471	639.95	0.023954	428.83
200208	355	27.067355	9608.91	0.0357471	343.49	0.023954	230.17
200209	399	29.274049	11680.35	0.0357471	417.54	0.023954	279.79
200210	648	27.724252	17965.32	0.0357471	642.21	0.023954	430.34
200211	383	25.262617	9675.58	0.0357471	345.87	0.023954	231.77
200212	569	28.970039	16483.95	0.0357471	589.25	0.023954	394.86
200301	391	31.849479	12453.15	0.0357471	445.16	0.023954	298.30
200302	195	35.622101	6961.63	0.0357471	248.86	0.023954	166.76
200303	390	33.378275	13007.18	0.0357471	464.97	0.023954	311.58
200304	395	29.007090	11455.77	0.0357471	409.51	0.023954	274.41
200305	381	28.685790	10916.38	0.0357471	390.23	0.023954	261.49
200306	187	29.716579	5563.84	0.0357471	198.89	0.023954	133.28
200307	194	30.962407	6006.71	0.0357471	214.72	0.023954	143.89
200308	376	31.049609	11666.58	0.0357471	417.05	0.023954	279.46
200309	196	27.377628	5364.92	0.0357471	191.78	0.023954	128.51
200310	192	29.324662	5630.34	0.0357471	201.27	0.023954	134.87
200311	82	29.856177	2448.21	0.0357471	87.52	0.023954	58.64



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

January 27, 2004

CERTIFIED MAIL 70000520002456314081

RUTHERFORD OIL CORPORATION
5 E GREENWAY PLZ STE 220
HOUSTON, TX 77046-0597

RE: Notice of underpayment on State Lease(s) MF100526, MF100792

Dear Mr. Ross:

The Royalty Audit Division of the Texas General Land Office has completed a limited review of the above-referenced lease operated by RUTHERFORD OIL CORPORATION. Through this review, it was determined that \$739.03 has been underpaid to the State for the reporting period of January 2000, July 2003, October 2003 and November 2003. This amount is comprised of \$488.30 in additional royalty, \$106.29 in penalty, and \$144.44 in interest, which has been computed through 2/20/2004, 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 25 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.

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment, including filing a statutory first lien on all production pursuant to Texas Natural Resources Code section 52.136. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by RUTHERFORD OIL CORPORATION or from examining these or other issues and time periods in a future inspection of your books, accounts, reports, or other records.

If you have any questions, please call me at (512) 463-5408.

Sincerely,

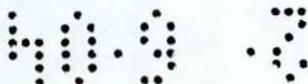
Shirley Chou, Accounts Examiner
Royalty Management
Energy Resources Division

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



ATTACHMENT I
REVIEW SUMMARY

State Lease: MF100526, MF100792

We have reviewed our records for the period of September 1998 through November 2003 to determine whether or not royalty for oil and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that the oil royalty and the gas royalty were under paid on "Brooks State Gas Unit " lease for January 2000, July 2003, October 2003 and November 2003.

We have concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$175.43	\$75.00	\$2.70	\$253.13

Gas Summary

Royalty	Penalty	Interest	Total
\$312.87	\$31.29	\$141.74	\$485.90

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$488.30	\$106.29	\$144.44	\$739.03



ATTACHMENT II

RUTHERFORD OIL CORPORATION
 STATE LEASE M-100526,100792
 FIELD NAME: TAYLORS BAYOU (HACKBERRY III)
 LEASE NAME: BROOKS STATE GAS UNIT
 JEFFERSON COUNTY, TEXAS
 RRC GAS WELL 03-177232,185030
 STATE'S ROYALTY DECIMAL .200,.0625

AUDITOR: S CHOU
 FILE NAME: M-100526
 DATE: 1/27/04

PENALTY/
 INTEREST DATE:

02/20/04

WELL#1 MF100526 UNIT ROYALTY =.1787356 (TP) *.200=.0357471
 MF100792 UNIT ROYALTY =.6916304 (TP)*.0625=.0432269
 TOTAL UNIT ROYALTY FOR WELL #1=.0357471+.0432269=.07897400

WELL#2 MF100526 UNIT ROYALTY =.1787356 (TP) *.200=.0357471
 MF100792 UNIT ROYALTY =.38326612 (TP)*.0625=.02395414
 TOTAL UNIT ROYALTY FOR WELL #2=.0357471+.002395414=.05970124

CALCULATION OF UNDER PAID ROYALTIES

MF100526				PRICE ON	GROSS	UNIT ROYALTY		ROYALTY ON	ROYALTY
MONTH	WELL #1	WELL #2	TOTAL	GLO-1	AMOUNT	DECIMAL	ROYALTY DUE	GLO-3	UNDER PAID
200307	221	194	415	30.962407	12849.40	0.0357471	459.33	427.14	32.19 - 71.19
200310	11	192	203	29.324662	5952.91	0.0357471	212.80	201.09	11.71 - 25.77
200311	238	82	320	29.856177	9553.98	0.0357471	341.53	308.30	33.23 - 78.47

MF100792				PRICE ON	GROSS	UNIT ROYALTY		TOTAL	ROYALTY ON	ROYALTY
MONTH	WELL #1	WELL #2	TOTAL	GLO-1	AMOUNT	DECIMAL	ROYALTY DUE	ROYALTY DUE	GLO-3	UNDER PAID
200307	221	0	221	30.962407	6842.69	0.0432269	295.79			
200307	0	194	194	30.962407	6006.71	0.0239541	143.89	439.67	400.67	39.00
200310	11	0	11	29.324662	322.57	0.0432269	13.94			
200310	0	192	192	29.324662	5630.34	0.0239541	134.87	148.81	134.75	14.06
200311	238	0	238	29.856177	7105.77	0.0432269	307.16			
200311	0	82	82	29.856177	2448.21	0.0239541	58.64	365.81	320.57	45.24

SUMMARY OF MF100526 AND MF100792

MONTH	ROYALTY DUE	ROYALTY ON GLO-3
200307	899.00	827.81
200310	361.61	335.84
200311	707.34	628.87

ATTACHMENT II

RUTHERFORD OIL CORPORATION
 STATE LEASE M-100526,100792
 FIELD NAME: TAYLORS BAYOU (HACKBERRY III)
 LEASE NAME: BROOKS STATE GAS UNIT
 JEFFERSON COUNTY, TEXAS
 RRC GAS WELL 03-177232,185030
 STATE'S ROYALTY DECIMAL .200,.0625

AUDITOR: S CHOU
 FILE NAME: M-100526
 DATE: 1/27/2004

PENALTY/
 INTEREST DATE:
 02/20/04



(5) (6) (7) (8) (9) (10) (11)

MONTH/ YEAR	UNIT ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Jul-03	899.00	827.81	71.19	168	25.00	2.55	98.74
Oct-03	361.61	335.84	25.77	77	25.00	0.15	50.92
Nov-03	707.34	628.87	78.47	46	25.00	0.00	103.47
	1,967.95	1,792.52	175.43		75.00	2.70	253.13

COMMENTS:

(A) RRC VOLUME - SEE PAGE 1 FOR THE DETAILS.

(B) PRICE - SEE PAGE 1 FOR THE DETAILS.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

ATTACHMENT II

RUTHERFORD OIL CORPORATION
 STATE LEASE M-100526,100792
 FIELD NAME: TAYLORS BAYOU (HACKBERRY III)
 LEASE NAME: BROOKS STATE GAS UNIT
 JEFFERSON COUNTY, TEXAS
 RRC GAS WELL 03-177232
 STATE'S ROYALTY DECIMAL .200,.0625

AUDITOR: S CHOU
 FILE NAME: M-100526
 DATE: 01/27/2004

PENALTY/
 INTEREST DATE:

02/20/04

WELL#1 MF100526 UNIT ROYALTY =.1787356 (TP) *.200=.0357471
 MF100792 UNIT ROYALTY =.6916304 (TP)*.0625=.0432269
 TOTAL UNIT ROYALTY FOR WELL #1=.0357471+.0432269=.07897400



	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH/ YEAR	RRC VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	UNIT ROYALTY DUE (4) X (.07897400)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Jan-00	1,395	2.8399	1.000	3,961.66	312.87	0.00	312.87	1437	31.29	141.74	485.90
	1,395			3,961.66	312.87	0.00	312.87		31.29	141.74	485.90

COMMENTS:

- (A) RRC VOLUME - REPRESENTS GAS DISPOSITIONS FROM RRC WELL ID# 03-177232.
- (B) PRICE/BTU - THERE WAS NO GLO-2 REPORT RECEIVED, THE PRICE WAS OBTAINED FROM THE HIGHEST COUNTY GAS PRICE REPORTED TO GLO.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

(19)

File No. 100526
letter from Rutherford

Date Filed: 2-25-04
Jerry E. Patterson, Commissioner

By Schon



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TEXAS GENERAL LAND OFFICE
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AUSTIN TX 78711-2873

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Shirley Chen Room 600 M7100526

05



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1. Article Addressed to:

Rutherford oil corporation

5 East Greenway Plaza

Suite 200

HOUSTON TX 77046-0597

2. Article Number

(Transfer from service label)

7003 2260 003 0394 8900

COMPLETE THIS SECTION ON DELIVERY

A. Signature

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Patty Dickson

 Agent Addressee

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C. Date of Delivery

2/19/04

D. Is delivery address different from item 1? Yes
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4. Restricted Delivery? (Extra Fee)

 Yes

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

Certified Mail No.70032260000303948900
Return Receipt Requested

February 17, 2004

Rutherford Oil Corporation
ATTN: Ronald H Ross
5 East Greenway Plaza Suite 200
Houston Texas 77046-0597

Re: Refund Request on MF100526, MF100792

Dear Mr. Ross:

We are in receipt of your letter dated February 3, 2004 requesting a refund of \$11,424.41 for overpaid gas and condensate royalties on the Brooks State Gas Unit (State leases M-100526 and M-100792). The General Land Office has now completed a review of this situation and is in agreement that an overpayment exists for the period of March 2000 through April 2003.

You are hereby authorized to take a credit of \$11,424.41 (\$11,006.82 for gas and \$417.59 for condensate) on your next monthly royalty remittance. Attached is a schedule which details how the credit should be allocated between the two leases for both gas and condensate for each production month. You will notice that for all but one month (June 2001 for gas), you will be showing additional royalty due for lease M-100792 but that these amounts are offset by credits on lease M-100526. This allocation is necessary so that the total payments applied to each month for each lease will equal the royalty due amounts on our records for those months.

If you have any questions concerning how to fill out the GLO-3 report, please contact Linda Arellano at 512-475-5008. For any other questions concerning this letter, please call me at 512-463-5408.

Sincerely,

A handwritten signature in cursive script that reads "Shirley Chou".

Shirley Chou, Accounts Examiner
Royalty Management/Energy Resources

Attachment

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

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GAS OVERPAYMENT DETAIL			
MONTH	MF100526	MF100792	TOTAL
200003	(1034.30)	1020.08	(14.22)
200004	(15445.27)	15232.24	(213.03)
200005	(16774.13)	16542.77	(231.36)
200006	(23259.57)	22939.05	(320.52)
200007	(24116.65)	23784.32	(332.33)
200008	(22695.12)	22382.39	(312.73)
200009	(27157.05)	26773.00	(384.05)
200010	(432.42)	0	(432.42)
200011	(345.98)	0	(345.98)
200012	(470.25)	0	(470.25)
200101	(748.38)	0	(748.38)
200102	(406.49)	0	(406.49)
200103	(359.09)	0	(359.09)
200104	(393.13)	0	(393.13)
200105	(509.23)	0.00	(509.23)
200106	(659.55)	(328.81)	(988.36)
200107	(341.67)	0.00	(341.67)
200108	(337.57)	0.00	(337.57)
200109	(237.00)	0	(237.00)
200110	(177.49)	0	(177.49)
200111	(278.83)	0	(278.83)
200112	(191.92)	0	(191.92)
200201	(217.92)	0	(217.92)
200202	(137.76)	0	(137.76)
200203	(166.21)	0	(166.21)
200204	(208.99)	0	(208.99)
200205	(194.60)	0	(194.60)
200206	(189.39)	0	(189.39)
200207	(166.26)	0	(166.26)
200208	(128.72)	0	(128.72)
200209	(147.02)	0	(147.02)
200210	(168.60)	0	(168.60)
200211	(176.65)	0	(176.65)
200212	(176.09)	0	(176.09)
200301	(204.61)	0	(204.61)
200302	(185.64)	0	(185.64)

200303	(341.37)	0	(341.37)
200304	(170.94)	0	(170.94)
	(139351.86)	128345.04	(11006.82)
	CONDENSATE OVER PAYMENT		
MONTH	MF100526	MF100792	TOTAL
200003	0.00	0.00	0.00
200004	(1541.03)	1519.77	(21.26)
200005	(1491.46)	1485.99	(5.47)
200006	(1596.64)	1574.64	(22.00)
200007	(1671.89)	1648.83	(23.06)
200008	(2057.19)	2028.84	(28.35)
200009	(1999.50)	1971.91	(27.59)
200010	(22.65)		(22.65)
200011	(29.80)		(29.80)
200012	(19.91)		(19.91)
200101	(18.56)		(18.56)
200102	(19.01)		(19.01)
200103	(16.24)		(16.24)
200104	(18.73)		(18.73)
200105	(22.14)		(22.14)
200106	(23.97)		(23.97)
200107	(20.94)		(20.94)
200108	(23.97)		(23.97)
200109	(18.79)		(18.79)
200110	(19.15)	2.84	(16.31)
200111	(11.78)	2.53	(9.25)
200112	(8.89)	2.07	(6.82)
200201	(12.08)	1.66	(10.42)
200202	(9.49)	3.35	(6.14)
200203	(11.56)	0.11	(11.45)
200204	(11.66)	2.48	(9.18)
200205	(12.32)	7.99	(4.33)
200206	(6.06)	7.43	1.37
200207	(12.35)	17.38	5.03
200208	(6.18)	1.6	(4.58)
200209	(6.97)	1.05	(5.92)

200210	(9.24)	10.33	1.09	
200211	(6.36)	4.15	(2.21)	
200212	(7.25)	10.9	3.65	
200301	(9.43)	18.2	8.77	
200302	(5.22)	25.6	20.38	
200303	(5.67)	6.73	1.06	
200304	(5.52)	15.63	10.11	
	(10789.60)	10372.01	(417.59)	

File No. 100526
letter to Rutherford

Date Filed: 2-25-04
Jerry E. Patterson, Commissioner

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Article Addressed to:

Rutherford Oil Corp
 5 E. Greenway Plaza
 Houston, TX 77046
 Ste 220

MF 100526

Article Number

(Transfer from service label)

7007 2560 0003 3539 6758

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A. Signature

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[Handwritten Signature]

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

2-6-07

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For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".

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IMPORTANT: Save this receipt and present it when making an inquiry.

S Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 2, 2009

VIA CRRR #7007 2560 0003 3539 6758

Rutherford Oil Corporation
5 E. Greenway Plaza, Ste 220
Houston, Texas 77046

RE: Termination of State Lease MF100526 River Tr & MF100792 Free Royalty Tr
Lease Name: Brooks State Gas Unit (Unit #3337) (03-177232)
Jefferson County

Gentlemen:

Based on the information reviewed, it appears that the above-referenced leases and unit may have terminated November 1, 2005 due to non-production. The leases and unit have not been held by timely paid shut-in payments and there is no documentation in this office of any reworking operations. As a result, this lease may have terminated under the terms and conditions of the lease and laws of the State as further defined in Title 31 of the Texas Administrative Code ("TAC"). Pursuant to the TAC, a recorded original or certified copy of a Release of the State Oil and Gas Lease must be filed with our office.

If the wells are plugged, copies of Railroad Commission Form W-3 must be filed with our office. Our Audit Division will notify you shortly if delinquent royalties are due.

In accordance with the provisions of the TAC, if you disagree with this assessment please provide evidence to this office at the address shown below within 30 days of receipt of this letter. Failure to reply or failure to present sufficient evidence of the continuation of the lease will result in the mineral file being endorsed as terminated. You will receive no further communication from this office prior to endorsement.

Sincerely,

Carl F. Bonn, CPL
Mineral Leasing
Office: (512) 463-5407
Fax: (512) 475-1543

Email: carl.bonn@glo.state.tx.us

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(21)

File No. MF 100526
Zecmbn kkk

Date Filed: 2-2-09
Jerry E. Patterson, Commissioner
By Carl Bonn