~~Unit 3036~~

TERMINATION
DATE 12/1/2014
LEASING mb
MAPS RC
GIS MC

Rentals:

Lease Admin:

Mineral Maps: 26

STATE LEASE MF101280

CONTROL	BASEFILE	COUNTY
56-029214	000 -	WASHINGTON /239

SURVEY : HIGHWAYS & PUBLIC TRANSPORTATI
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : 10.25
DEPTH LIMITS : NO

LESSEE : CHESAPEAKE EXPLORATION LTD.
LEASE DATE : Nov 14 2000
PRIMARY TERM : 3 yrs
BONUS ($) : 2050.00
RENTAL ($) : 0.00
ROYALTY : 0.18750000
VAR ROYALTY :

CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

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Scanned sm 5/28/15	
See MF094949 #29. Assign # 10876 Enervest (to) Magnolia 7-26-19	
scanned pf 8-12-2019	
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Scanned sm 10/02/2019	
11. Unit 3036 production 3/17/23	
Scanned WM 5.5.2023	

CLO-S-08-(1-82)

Producers 88 (3-89) - Paid Up
With 640 Acres Pooling Provision

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

PAID UP OIL AND GAS LEASE

19

THIS LEASE AGREEMENT is made as of the 1 day of November, 19 94, between
DOROTHY E. POHLMEYER and husband MELVIN POHLMEYER
2410 S. Market St.
Brenham, Texas 77833
as Lessor (whether one or more),
and CHESAPEAKE OPERATING INC., 6206 Northwestern, Oklahoma City, Oklahoma 73188
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

SEE ATTACHED EXHIBIT "A" FOR ADDITIONAL PROVISIONS

SEE ATTACHED EXHIBIT "B" FOR DESCRIPTION OF PROPERTY

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

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

in the county of Washington, State of Texas, containing 100.74 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

SB

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO. OR TAX ID

Dorothy E. Pohlmeyer [redacted]
DOROTHY E. POHLMEYER

Melvin Pohlmeyer [redacted]
MELVIN POHLMEYER

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } Washington

This instrument was acknowledged before me on the 3 day of November, 19 94,
by DOROTHY E. POHLMEYER

NOTARY PUBLIC STATE OF TEXAS
CARL GREINER
Notary Public
State of Texas
Commission Expires 7-26-97

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

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } Washington

This instrument was acknowledged before me on the 3 day of November, 19 94,
by MELVIN POHLMEYER

NOTARY PUBLIC STATE OF TEXAS
CARL GREINER
Notary Public
State of Texas
Commission Expires 7-26-97

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

RECORDING INFORMATION

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

STATE OF _____ }
County of _____ } S.S.

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

By _____
Clerk (or Deputy)

AUG 04 2000
A CERTIFIED COPY issued _____
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED November 1, 1994, BY AND BETWEEN DOROTHY E. POHLMEYER and husband MELVIN POHLMEYER AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

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

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

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

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

SIGNED FOR IDENTIFICATION:

Dorothy E. Pohlmeyer
DOROTHY E. POHLMEYER

Melvin Pohlmeyer
MELVIN POHLMEYER

AUG 04 2000

A CERTIFIED COPY issued_____
Beth Rothermel, County Clerk
Washington County, TX_____ Deputy

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED November 1, 1994, BY AND BETWEEN DOROTHY E. POHLMEYER and husband, MELVIN POHLMEYER AS LESSOR AND CHESAPEAKE OPERATING INC., AS LESSEE.

Being 100.74 acres of land, more or less, being parts of the HIRAM LEE SURVEY A-76 and the JOHN LONG A-156 being described as follows:

TRACT ONE: Being 88.90 acres of land, more or less, being situated in Washington County, Texas, being a part of the HIRAM LEE SURVEY A-76, being part of the 454.0 acre tract conveyed by H.F. Kolwes to Will Kolwes, by deed dated December 20, 1911, recorded in Vol.61 Pg.610 washington County Deed Records, Texas
Being 1.79 acre of land, more or less, being situated in Washington County, Texas, being part of the JOHN LONG SURVEY A-156, being a part of the 9.6 acre tract conveyed by Frank Joswiak to Will Kolwes by deed dated January 21, 1922 recorded in Vol.172 Pg.170 Deed Records, Washington County, Texas.

TRACT TWO: Being 10.05 acres of land, more or less, situated in Washington County, Texas, being part of the JOHN LONG SURVEY A-156, being all of the .016 acre tract conveyed by Julia R. Simon to Will Kolwes, by deed dated December 2, 1925, recorded in Vol.83 Pg.18, Washington County Deed Records; being part of the 9.6 acre tract conveyed by Frank Joswiak to Will Kolwes by deed dated December1, 1922 recorded in Vol.77 Pg.170 Washington County Deed Records; being part of the 454 acre tract conveyed by H.F. Kolwes to Will Kolwes by deed dated December 20, 1911 recorded in Vol.61 Pg.610 Washington County Deed Records; and being all of the 1.41 acre tract conveyed by L. Hausman to Will Kolwes by deed dated January 29, 1957 and recorded in Vol.210 Pg.358 Washington County Deed Records, Texas.

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

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on JAN 0 4 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in Volume 162, Page 34, of the Official Records in my office. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

AMENDMENT AND EXTENSION OF OIL AND GAS LEASE

L30950 6117

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

WHEREAS, a certain Paid Up Oil and Gas Lease dated November 1, 1994 was executed by and between Dorothy E. Pohlmeyer and husband Melvin Pohlmeyer, as Lessors, and CHESAPEAKE OPERATING, INC., as Lessee, recorded in Volume 762, Page 34, of the Official Records of Washington County, Texas, ("the Lease"), covering the following described land in said County & State:

> **Tract One**: Being 88.90 acres of land, more or less, being situated in Washington County, Texas, being a part of the HIRAM LEE SURVEY A-76, being part of the 454.0 acre tract conveyed by H. F. Kolwes to Will Kolwes, by deed dated December 20, 1911, recorded in Volume 61, Page 610 Washington County Deed Records, Texas
> Being 1.79 acre of land, more or less, being situated in Washington County, Texas, being part of the JOHN LONG SURVEY A-156, being part of the 9.6 acre tract conveyed by Frank Joswiak to Will Kolwes by deed dated January 21, 1922 recorded in Volume 172, Page 170 Deed Records, Washington County, Texas.
> **Tract Two**: Being 10.05 acres of land, more or less, situated in Washington County, Texas, being part of the JOHN LONG SURVEY A-156, being all of the .016 acre tract conveyed by Julia R. Simon to Will Kolwes, by deed dated December 2, 1925, recorded in Volume 83, Page 18, Washington County Deed Records; being part of the 9.6 acre tract conveyed by Frank Joswiak to Will Kolwes by deed dated December 1, 1922 recorded in Volume 77, Page 170 Washington County Deed Records; being part of the 454 acre tract conveyed by H. F. Kolwes to Will Kolwes by deed dated December 20, 1911 recorded in Volume 61, Page 610 Washington County Deed Records; and being all of the 1.41 acre tract conveyed by L. Hausman to Will Kolwes by deed dated January 29, 1957 and recorded in Volume 210, Page 358 Washington County Deed Records, Texas.

WHEREAS, the Lease provides it shall be in force for a primary term of five (5) years from the effective date thereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or the Lease is otherwise maintained in effect pursuant to the provisions hereof; and

WHEREAS, Lessors and Chesapeake Operating, Inc. desire to amend the Lease as follows:

1.) To allow and provide for an extension of two (2) years or until November 1, 2001 and so long thereafter as a covered mineral is produced in paying quantities from said land or land pooled therewith.

WHEREAS, Melvin Pohlmeyer is now deceased and Dorothy E. Pohlmeyer is his sole heir as declared in his Last Will and Testament as recorded in Volume 142, Page 446 of the Probate Records of Washington County, Texas, and same Dorothy E. Pohlmeyer now desires to extend the Lease as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration in hand paid to the undersigned by Chesapeake Operating, Inc., on behalf of itself and it's assigns, the receipt and sufficiency of which is hereby acknowledged, the undersigned do hereby amend the Lease to allow and provide for an extension of the Lease for an additional term of two (2) years from the end of the primary term hereof, or until November 1, 2001, and as long thereafter as a covered mineral is produced from said land or land pooled therewith.

It is understood and agreed by all parties hereto that the provision contained herein shall supersede any provisions to the contrary in the Paid Up Oil and Gas Lease described herein; however, in all other

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. Deputy

respects, the Lease and the prior provisions thereto shall remain in full force and effect and the undersigned do hereby adopt, ratify and confirm such Lease.

L30950

FURTHER, the provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

EXECUTED this 29TH day of September, 1999.

LESSOR:

Dorothy E. Pohlmeyer
Dorothy E. Pohlmeyer SS# [redacted]

LESSEE:

CHESAPEAKE OPERATING, INC.

By: _____ TS
Gary S. Dunlap
Title: Land Manager - Gulf Coast

STATE OF TEXAS }{
}{
COUNTY OF WASHINGTON }{

This instrument was acknowledged before me on this 29TH day of SEPT, 1999 by Dorothy E. Pohlmeyer, a widow.

_____
Notary Public, State of Texas
Notary's Printed name:
My Commission expires:

GARY C. MITCHELL
Notary Public, State of Texas
My Commission Expires 10-07-00

STATE OF OKLAHOMA }{
}{
COUNTY OF OKLAHOMA }{

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 12TH day of October, 1999, personally appeared Gary S. Dunlap as Land Manager - Gulf Coast of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

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

_____
Notary Public, The State of Oklahoma
Notary's printed name:
My Commission expires:

JONNA M. CHELLE NOWAKOWSKI
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires July 29, 2002

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

FILED FOR RECORD
WASHINGTON COUNTY, TX

99 OCT 25 AM 10:49

BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 26 1999

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

411 Cross Creek

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in Volume 942, Page 293, of the Official Records in my office. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

VOL 792 PAGE 100

OIL, GAS & MINERAL LEASE

6008

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 20th day of July, 19 95,

between REINHOLD HERRMANN, Dealing in his separate property

as Lessor (whether one or more), whose address is Post Office Box 1275, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Fort Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- ---------- Dollars ($ 10.00 (OGVC)), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in Washington County, Texas, to-wit:

1.361 acres of land, more or less, out of the John Long League, A-156, Washington County, Texas. Said 1.361 acres tract being a portion of a called First Tract of 1.50 acres and a called Second Tract of 1.0 acre conveyed to Reinhold Herrmann and wife, Dellie Mae Herrmann by J. A. Richie and wife, Constanchie Elmyra Ritchie by deed recorded in Volume 205, Page 388 dated November 1, 1955 of the Deed Records of Washington County, Texas, LESS AND EXCEPT 1.361 acres of land, more or less, out of the John Long League, A-156, and being more fully described in that certain Special Warranty Deed dated October 14, 1985, from Reinhold Herrmann to Dellie Mae Herrmann, and recorded in Volume 527, Page 600, Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.361 acres, whether it actually comprises more or less.

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE **"ADDENDUM"** ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPH 12 THRU 15.

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

SS # AND/OR TAX ID #

[redacted]

SS#:

LESSOR:

Reinhold Herrmann

REINHOLD HERRMANN, Dealing in his separate property.

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 20th day of July, 1995, by REINHOLD HERRMANN, DEALING IN HIS SEPARATE PROPERTY.

Mary Jinnette
Notary Public

My Commission Expires:

MARY JINNETTE
MY COMMISSION EXPIRES
August 16, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JULY 20, 1995 BY AND BETWEEN **REINHOLD HERRMANN, DEALING IN HIS SEPARATE PROPERTY,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

13. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

14. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the Leased premises, then all of leased premises will be included in such pool or unit.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION:

Reinhold Herrmann

REINHOLD HERRMANN, Dealing in his separate property

FILED
AT 11:15 A.M.
AUG - 1 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 0 2 1995

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

VOL. 790 PAGE 564

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

5658

THIS LEASE AGREEMENT is made effective the 18th day of July, 19 95,

between HERRMANN PRINT SHOP, INC., a Texas corporation, Represented Herein

as Lessor (whether one or more), whose address is 2700 S. MARKET, BRENHAM, TEXAS 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry St., Fort Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATION---------- Dollars ($ 10.00 (OGVC)), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in Washington County, Texas, to-wit:

1.361 acres of land, more or less, out of the JOHN LONG LEAGUE, A-156, Washington County, Texas, and being more fully described in that certain General Warranty Deed dated March 2, 1989, from DELLIE MAE HERRMANN, to HERRMAN PRINT SHOP, A Texas Corporation, and recorded in Volume 300, Page 533, Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.361---- acres, whether it actually comprises more or less.

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000

Beth Rothermel, County Clerk

Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. See "ADDENDUM" attached hereto and made a part hereof for Paragraph 12 thru 15.

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

SS # AND/OR TAX ID #

TAX I.D. #: [redacted]

LESSOR:
HERRMANN PRINT SHOP, INC.,
a Texas corporation

BY: DEBRA Y. MERTZ
TITLE: President

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 19th day of July, 19 95, by DEBRA Y. MERTZ, as President of HERRMANN PRINT SHOP, INC., a Texas corporation.

Notary Public

My Commission Expires:

MARY JINNETTE
MY COMMISSION EXPIRES
August 16, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JULY 18, 1995 BY AND BETWEEN **HERRMANN PRINT SHOP, INC, A TEXAS CORPORATION, Represented Herein** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

13. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

14. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the Leased premises, then all of leased premises will be included in such pool or unit.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

HERRMANN PRINT SHOP, INC., A TEXAS CORPORATION,
Represented Herein

SIGNED FOR IDENTIFICATION: _____
By: DEBRA Y. MERTZ

FILED
At 4:15 P M.
JUL 20 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUL 21 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

2418

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated July 18, 1995 recorded in Volume 790, Page 564, Official Records, Washington County, Texas from Herrmann Print Shop, Inc., a Texas corporation, by Debra Y. Mertz, President, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

1.361 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Herrmann Print Shop, Inc., a Texas corporation, by Debra Y. Mertz, President, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266142 for said additional payment to extend the primary term for an additional two (2) years from July 18, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 14th day of April, 1998.

DEBRA Y. MERTZ, as President of
HERRMANN PRINT SHOP, INC., a Texas Corporation
Tax ID # [redacted]
2700 S. Market St.
Brenham, Texas 77833

ACKNOWLEDGEMENT

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on this 14th day of April, 1998, by Debra Y. Mertz, President of Herrmann Print Shop, Inc., a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS
'98 APR 15 AM 10
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

APR 16 1998

Beth Rothermel, County Clerk
Washington County, Texas

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

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

PAID UP OIL AND GAS LEASE

7566

THIS LEASE AGREEMENT is made as of the 16th day of JUNE, 19 95, between

WALTER F. THIELEMANN and LAVERNE LEHRMANN
2305 SOUTH MARKET STREET, BRENHAM, TX. 77833 as Lessor (whether one or more),

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

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

54.3 acres, more or less, located in the JOHN LONG SURVEY, A-156, WASHINGTON COUNTY, TEXAS, and being the residue of a 62.657 acre tract described in a Deed dated May 18, 1983 from Dana Kestenbaum et ux to Walter Thielemann and Lee Roy Lehrmann recorded in Volume 450 Page 35, SAVE AND EXCEPT WD Vol.493 Pg.317 to cover 3.290 acres, SAVE AND EXCEPT WD Vol.562 Pg.441 to cover 2.0 acres and SAVE AND EXCEPT WD Vol.584 Pg.468 to cover 3.067 acres, there being 54.3 acres remaining and being duly recorded in the Deed Records of Washington County, Texas, to which deeds and the record thereof is hereby made for a more complete description of said lands.

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

FOR FUTHER PROVISIONS OF THIS LEASE, SEE EXHIBIT "A" ATTACHED.

Shelby

in the county of Washington, State of Texas, containing 54.3 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

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

Brenham National
at Brenham, Texas 77833

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

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

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

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

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A CERTIFIED COPY issued_____
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

TX1670028-000

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

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

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

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

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

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

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

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

~~WITNESSES AND/OR ACKNOWLEDGMENTS~~ XXX

LESSOR (WHETHER ONE OR MORE)

Walter F. Thielemann

Laverne Lehrmann

SS NO. OR TAX ID

ENI# [redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 16th day of August, 19 95,
by Walter F. Thielemann

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

GLADYS KOETHER
Notary Public, State of Texas
My Commission Expires 10-09-97
ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 16th day of August, 19 95,
by Lavern Lehrmann

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

GLADYS KOETHER
Notary Public, State of Texas
My Commission Expires 10-09-97
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF _____ }
County of _____ } S.S.

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

By _____
Clerk (or Deputy)

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED JUNE 16, 1995 BY AND BETWEEN WALTER F. THIELEMANN ET AL AS LESSOR AND CHESAPEAKE OPERATING, INC. AS LESSEE .:

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

2. Notwithstanding anything to the contrary herein contained, Lessor agrees that without Lessor's prior written consent, it will not conduct drilling operations on the surface of the lands herein leased.

3. Notwithstanding anything contained herein to the contrary, wherever the term "royalty" is used as it applies to oil and gas , the amount of such royalty shall be ___3/16..

Signed for identification :

By. Walter Thielemann

FILED
AT 12:20 P M.
SEP 18 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 19 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in Volume 798, Page 723, of the Official Records in my office. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

5031

387

L 23906

AMENDMENT AND EXTENSION OF OIL, GAS AND MINERAL LEASE

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

WHEREAS, a certain Oil, Gas & Mineral Lease dated June 16, 1995 was executed by and between Walter F. Thielemann and LaVerne Lehrmann, as Lessors, and CHESAPEAKE OPERATING, INC., as Lessee, recorded in Volume 798, Page 723, of the Official Records of Washington County, Texas, ("the Lease"), covering the following described land in said County & State:

> 54.3 acres, more or less, located in the John Long Survey, A-156, Washington County, Texas, and being the residue of a 62.657 acre tract described in a Deed dated May 18, 198[illegible] from Dana Kestenbaum et ux to Walter Thielemann and Lee Roy Lehrmann recorded in Volume 450, Page 35, SAVE AND EXCEPT WD Vol. 493, Pg. 317 to cover 3.290 acres, SAVE AND EXCEPT WD Vol. 562, Pg. 441 to cover 2.0 acres and SAVE AND EXCEPT WD Vol. 584, Pg. 468 to cover 3.067 acres, there being 54.3 acres remaining and being duly recorded in the Deed records of Washington County, Texas, to which deeds and the record thereof is hereby made for a more complete description of said lands.

WHEREAS, the Lease provides it shall be in force for a primary term of three (3) years from the effective date thereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or the Lease is otherwise maintained in effect pursuant to the provisions hereof; and

WHEREAS, Lessor and Chesapeake desire to amend the Lease as follows:

1.) To allow and provide for an extension of two (2) years or until June 16, 2000 and so long thereafter as oil and gas is produced in paying quantities from said land or land pooled therewith.

WHEREAS, the parties to the Lease now desire to extend the same as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration in hand paid to the undersigned by Chesapeake Operating, Inc., on behalf of itself and it's assigns, the receipt and sufficiency of which is hereby acknowledged, the undersigned do hereby amend the Lease to allow and provide for an extension of the Lease for an additional or second primary term of two (2) years from the end of the first primary term hereof, or until June 16, 2000, and as long thereafter as oil and gas is produced from said land or land pooled therewith. In addition, Lessee hereby exercised its option provided by the Amendment herein by paying or tendering to the Lessor or Lessor's credit in their depository bank, the sum of $10.00 dollars and other valuable consideration before the expiration of the primary term hereof.

It is understood and agreed by all parties hereto that the provision contained herein shall supersede any provisions to the contrary in the Oil, Gas and Mineral Lease described herein; however, in all other respects, the Lease and the prior provisions thereto shall remain in full force and effect and the undersigned does hereby adopt, ratify and confirm such Lease.

FURTHER, the provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

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

TX1670028-000

A CERTIFIED COPY issued AUG 16 2000
Beth Rothermel, County Clerk
Washington County, TX. [signature] Deputy

EXECUTED this 16th day of June, 1998

LESSOR:

THIELEMANN DEVELOPMENT COMPANY L.P.

BY: THIELEMANN MANAGEMENT, INC., MANAGING GENERAL PARTNER

Walter Thielemann [redacted]
Walter Thielemann, President SS#

Laverne Lehrmann [redacted]
Laverne Lehrmann SS#

LESSEE:

CHESAPEAKE OPERATING, INC.

By: _____ BS

Title: Sr. Vice-President, Land & Legal

STATE OF TEXAS }{
}{
COUNTY OF WASHINGTON }{

This instrument was acknowledged before me on the 16th day of June, 1998, by Walter Thielemann, President of Thielemann Management, Inc., a Texas corporation, General Partner of Thielemann Development Company L.P., a Texas Limited Partnership, for and on behalf of said Thielemann Development Company L.P.

JASON BOYD LANE
Notary Public, State of Texas
My Commission Expires
NOV. 6, 2001

_____
Notary Public, State of ~~Oklahoma~~ TEXAS
Notary's name (printed):
Notary's commission expires:

A CERTIFIED COPY issued AUG 16 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

STATE OF TEXAS }{
}{
COUNTY OF WASHINGTON }{

This instrument was acknowledged before me on this 16th day of June, 1998 by Laverne Lehrmann.

JASON BOYD LANE
Notary Public, State of Texas
My Commission Expires
NOV. 6, 2001

Notary Public, State of Texas
Notary's Printed Name: _____
My Commission Expires: _____

STATE OF OKLAHOMA }{
}{
COUNTY OF OKLAHOMA }{

This instrument was acknowledged before me on the 22nd day of Dec, 1998, by Henry Hood, Sr. Vice-President, Land & Legal of Chesapeake Operating, Inc. corporation, on behalf of said corporation.

KIM E. DOTY NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA OKLAHOMA CO.

Notary Public, State of Oklahoma
Notary's name (printed): Kim E. Doty
Notary's commission expires: 12-9-99

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUL 28 1998

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUL 27 PM 12 04
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 26 1999

Beth Rothermel, County Clerk
Washington County, Texas

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 16 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Carli Kochne
Deputy

AMENDMENT AND EXTENSION OF OIL AND GAS LEASE

L 33956 3715

STATE OF TEXAS)(

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WASHINGTON)(

WHEREAS, a certain Paid-Up Oil, Gas and Mineral Lease dated June 16, 1995 was executed by and between Walter F. Thielemann and Laverne Lehrmann, as Lessors, and CHESAPEAKE OPERATING, INC., as Lessee, and recorded in Volume 798, Page 723 of the Official Records of Washington County, Texas, ("the Lease"), covering the following described land in said County & State:

Being 54.30 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas, and being the residue of a 62.657 acre tract more fully described in a Deed dated May 18, 1983 from Dana Kestenbaum et ux, to Walter Thielemann and Lee Roy Lehrmann, recorded in Volume 450, Page 35 of the Deed Records of Washington County, Texas, and, **LESS AND EXCEPT:** 3.29 acres, more or less, being more fully described in a Deed recorded in Volume 493, Page 317, 2.00 acres, more or less, being more fully described in a Deed recorded in Volume 562, Page 441, and 3.067 acres, more or less, being more fully described in a Deed recorded in Volume 584, Page 468, leaving herein 54.30 acres, more or less, all Deed References being in Washington County, Texas, and,

WHEREAS, the Lease provides it shall be in force for a primary term of Three (3) years from the effective date thereof, and for as long thereafter as oil or gas or other substances covered thereby are produced in paying quantities from the leased premises or from lands pooled therewith or the Lease is otherwise maintained in effect pursuant to the provisions thereof, and,

WHEREAS, the lease was extended for an additional Two (2) years, by an Amendment and Extension of Oil, Gas and Mineral Lease dated June 16, 1998, and recorded in Volume 900, Page 418 of the Official Records of Washington County, Texas, and re-recorded in Volume 917, Page 753 of the Official Records of Washington County, Texas, and,

WHEREAS, the undersigned and CHESAPEAKE OPERATING, INC. now desire to amend and extend the Lease as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration in hand paid to the undersigned by Chesapeake Operating, Inc., on behalf of itself and it's assigns, the receipt and sufficiency of which is hereby acknowledged, the undersigned do hereby amend the Lease to provide as follows:

1.) To allow and provide for an extension of Two (2) years, or until June 16, 2002, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or from lands pooled therewith or the Lease is otherwise maintained in effect pursuant to the provisions hereof.

It is understood and agreed by all parties hereto that the provisions contained herein shall supersede any provisions to the contrary in the Oil and Gas Lease described herein; however, in all other respects, the Lease and the prior provisions thereto shall remain in full force and effect and the undersigned do hereby adopt, ratify and confirm the Lease.

FURTHER, the provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

TX1467028-000
TX1467/311008

AUG 04 2000

A CERTIFIED COPY issued_____
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXECUTED this 19th day of June, 2000, but effective June 15th, 2000.

LESSOR: L 33956

THIELEMANN DEVELOPMENT COMPANY L.P.

BY: THIELEMANN MANAGEMENT, INC., MANAGING GENERAL PARTNER

Walter Thielemann, President
2305 South Market Street
Brenham, TX 77833 TAX I.D. # [redacted]

Laverne Lehrmann
2104 Tison
Brenham, TX 77833

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

LESSEE:

CHESAPEAKE OPERATING, INC.

By: _____
Gary S. Dunlap

Title: _____
Land Manager, Gulf Coast

STATE OF TEXAS)(

COUNTY OF WASHINGTON)(

This instrument was acknowledged before me on this the 9th day of June, 2000, by Walter Thielemann and Laverne Lehrmann, and in the capacity therein stated.

ANDREW E. GARY
MY COMMISSION EXPIRES
July 3, 2003

Notary Public in and for the State of Texas

STATE OF OKLAHOMA)(

COUNTY OF OKLAHOMA)(

This instrument was acknowledged before me on the 23 day of June, 2000, by Gary S. Dunlap, of Chesapeake Operating, Inc., on behalf of said corporation.

ANGELA PORTS
NOTARY PUBLIC
STATE OF OKLAHOMA
CANADIAN CO UNTY

Notary Public in and for the State of Oklahoma

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

VOL 0963 PAGE 332

FILED FOR RECORD
WASHINGTON COUNTY, TX

00 JUL -5 PM 1:10

BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUL 0 6 2000

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

#11 Chesapeake

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

VOL 790 PAGE 561

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

5657

THIS LEASE AGREEMENT is made effective the 11th day of July, 19 95,

between LONNIE NAUMANN AND WIFE, MALINDA NAUMANN

as Lessor (whether one or more), whose address is 2604 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry St. Fort Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten and NO/100 and other good and valuable considerations ---------- Dollars ($ 10.00 (OGVC)), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in Washington County, Texas, to-wit:

1.0 acres of land, more or less, out of the JOHN LONG LEAGUE, A-156, Washington County, Texas, and being more fully described in that certain Deed dated September 14, 1963, from TED H. GOSS and wife, OPAL GOSS to LONNIE NAUMANN and wife, MALINDA NAUMANN and recorded in Volume 249, Page 255 of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.0---- acres, whether it actually comprises more or less.

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

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's field separator facilities, the royalty shall be 3/16 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 3/16 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

AUG 0 4 2000

A CERTIFIED COPY issued_____

Beth Rothermel, County Clerk

Washington County, TX._____Deputy

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

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

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

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

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

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

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

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Lonnie Naumann

Lonnie Naumann

Malinda Naumann

Malinda Naumann

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this ____ day of July 17, 19 95, by Lonnie Naumann, and wife, Malinda Naumann.

Mary Jinnette
Notary Public

My Commission Expires:

MARY JINNETTE
MY COMMISSION EXPIRES
August 16, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

AUG 04 2000

A CERTIFIED COPY issued _____
Beth Rothermel, County Clerk
Washington County, TX _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JULY 11, 1995 BY AND BETWEEN **LONNIE NAUMANN and wife, MALINDA NAUMANN,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

13. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

14. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the Leased premises, then all of leased premises will be included in such pool or unit.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION: Lonnie Naumann

LONNIE NAUMANN

Malinda Naumann

MALINDA NAUMANN

FILED

AT 4:15 P M.

JUL 20 1995

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUL 21 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

2463

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated July 11, 1995 recorded in Volume 790, Page 561, Official Records, Washington County, Texas from Lonnie Naumann and wife, Malinda Naumann, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

1.00 acre, more or less, out of the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, the undersigned do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266155 for said additional payment to extend the primary term for an additional two (2) years from July 11, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 15th day of April, 1998.

Lonnie Naumann
Lonnie Naumann S.S. # [redacted]
2604 S. Market St.
Brenham, Texas 77833

Malinda Naumann
Malinda Naumann S.S. # [redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on this 15th day of April, 1998, by Lonnie Naumann and wife, Malinda Naumann.

Cynthia R Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
'98 APR 16 PM 3 02
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

STATE OF TEXAS
COUNTY OF WASHINGTON

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

APR 17 1998

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

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

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

VOL 0945 PAGE 197

PAID UP OIL AND GAS LEASE

L 31332

6768

THIS LEASE AGREEMENT is made as of the 1st day of October, 19 99, between

Dorothy Marie Kitowski, a feme sole
2412 S. Market. St.
Brenham, Texas 77833

as Lessor (whether one or more),

and **Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154**

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

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

2.50 acres of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas, and being more particularly described in that certain Warranty Deed dated May 4, 1943 from W. F. Brown and wife Minnie Brown to Albert Kitowski, recorded in Volume 134, Page 301 of the Deed Records of Washington County, Texas

For additional terms and conditions, see Exhibit "A" attached hereto and made a part hereof

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

In the county of Washington, State of Texas, containing 2.50 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Pay Direct to Lessor at address listed above

at _____

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

Isaac JK/67 /

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO OR TAX ID
	Dorothy Marie Kitowski	[redacted]
	Dorothy Marie Kitowski	

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Washington

This instrument was acknowledged before me on the 29th day of October, 19 99,
by Dorothy Marie Kitowski, a feme sole

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

THOMAS HOLLEMAN
NOTARY PUBLIC
State of Texas
Comm. Exp. 11-03-99

STATE OF TEXAS
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ S.S.

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

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A" L 31332

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated October 1, 1999 between Dorothy Marie Kitowski, as Lessor and Chesapeake Exploration Limited Partnership as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

18. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in such unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease shall terminated at the end of the primary term unless otherwise maintained in force and effect as provided for by the provisions of this lease. However, operations for drilling, or reworking operations under the continuous operations or development clauses of this lease, conducted on lands within a pooled unit, shall maintain this lease in force and effect as to all lands described in this lease until such time as such continuous operations or development cease.

Signed for identification:

Dorothy Marie Kitowski

Dorothy Marie Kitowski

STATE OF TEXAS
COUNTY OF WASHINGTON

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

NOV 30 1999

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
99 NOV 29 PM 4:37
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

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

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

-L31380-

PAID UP OIL AND GAS LEASE

7361

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

THIS LEASE AGREEMENT is made as of the 2nd day of November, 19 99, between

Emma Addicks
2408 S. Market
Brenham, Texas 77833

as Lessor (whether one or more),

and Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154

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

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

0.64 acres of land, more or less, located in the John Long Survey, A-156, in Washington County, Texas and more particularly described in a Deed dated September 27, 1963, from Glenwood H. Buerger and wife, Annie Mae Buerger to Herbert Addicks and wife, Emma Addicks and filed in Volume 249, Page 390 of the Deed Records of Washington County, Texas

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

in the county of Washington, State of Texas, containing 0.64 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

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

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

JK167/Isaac/TX16711608-00

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO. OR TAX ID
	Emma Addicks	[redacted]
	Emma Addicks	

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 3rd day of November, 1999 by Emma Addicks

ROBERT W. HELLBUSCH
NOTARY PUBLIC
State of Texas
Comm. Exp. 06-11-2001

Robert W. Hellbusch
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

ACKNOWLEDGEMENT

FILED FOR RECORD
WASHINGTON COUNTY, TX

99 DEC 29 AM 10:06

BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 30 1999

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

Produ... (88) Paid Up
With 640 Acres Pooling Provision

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

L31691

PAID UP OIL AND GAS LEASE

0117

THIS LEASE AGREEMENT is made as of the 1st day of October, 1999, between John W. Whisnant and wife Betty Whisnant
2400 S. Market St.
Brenham, Texas 77833 as Lessor (whether one or more),
and Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

4.00 acres of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas, and being more particularly described in that certain Warranty Deed dated May 16, 1994 from The Brenham National Bank to John W. Whisnant and wife Betty Whisnant, recorded in Volume 735, Page 41 of the Official Records of Washington County, Texas.

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

in the county of Washington, State of Texas, containing 4.00 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX Deputy

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

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

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

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

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

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

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

See Exhibit "A" attached hereto and made a part hereof

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

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO. OR TAX ID
	John W. Whisnant	[redacted]
	Betty Whisnant	[redacted]

ACKNOWLEDGEMENT

STATE OF
COUNTY OF
This instrument was acknowledged before me on the 23rd day of November, 1999, by

Notary Public, State of Texas
Notary's name (printed): W. Thomas Holleman
Notary's commission expires: My Commission Expires November 3, 2003

ACKNOWLEDGEMENT

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

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

CORPORATE ACKNOWLEDGEMENT

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ } S.S.

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

By _____
Clerk (or Deputy)

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

L 3 1 6 9 1

EXHIBIT "A"

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated October 1, 1999 between John W. Whisnant and wife Betty Whisnant, as Lessor and Chesapeake Exploration Limited Partnership as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

18. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in such unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease shall terminated at the end of the primary term unless otherwise maintained in force and effect as provided for by the provisions of this lease. However, operations for drilling, or reworking operations under the continuous operations or development clauses of this lease, conducted on lands within a pooled unit, shall maintain this lease in force and effect as to all lands described in this lease until such time as such continuous operations or development cease.

Signed for identification:

John W. Whisnant

Betty Whisnant

FILED FOR RECORD
WASHINGTON COUNTY, TX
00 JAN 10 AM 10: 53
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 1 1 2000

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

VOL 800 PAGE 875

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

THIS LEASE AGREEMENT is made effective the 11th day of August, 8173, 19 95,

between ODELL LUECKEMEYER, and wife, WILLIE MAE LUECKEMEYER

as Lessor (whether one or more), whose address is P. O. Box 1226, Brenham, Texas 77834

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- ---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

TRACT ONE: 1.8503 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Warranty Deed, dated October 12, 1984, from Claude Tassin to Odell Lueckemeyer, and being recorded in Volume 488, Page 819, of the Deed Records of Washington County, Texas.

TRACT TWO: 4.183 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being described as 4.487 acres, more or less, in that certain Warranty Deed, dated November 18, 1969, from R. Barnes, et al to Odell Lueckemeyer, and being recorded in Volume 296, Page 266, Deed Records of Washington County, Texas; LESS AND EXCEPT: 0.304 acres, more or less, more fully descibed in that certain Warranty Deed, dated December 29, 1976, from Odell Lueckemeyer to Lueckemeyer Enterprises, Inc., and being recorded in Volume 350, Page 757, of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 6.0333 acres, whether it actually comprises more or less.

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX. Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Odell Lueckemeyer
ODELL LUECKEMEYER

Willie Mae Lueckemeyer
WILLIE MAE LUECKEMEYER

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 11th day of August, 1995, by ODELL LUECKEMEYER and wife, WILLIE MAE LUECKEMEYER.

John Renaud
Notary Public

My Commission Expires:
August 7, 1999

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "ADDENDUM" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 11, 1995 BY AND BETWEEN ODELL LUECKEMEYER, AND WIFE, WILLIE MAE LUECKEMEYER, AS "LESSOR", AND UNION PACIFIC RESOURCES COMPANY, AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION Odell Lueckemeyer
ODELL LUECKEMEYER

Willie Mae Lueckemeyer
WILLIE MAE LUECKEMEYER

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on OCT 06 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS: 4217

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 11, 1995 recorded in Volume 800, Page 875, Official Records, Washington County, Texas, from Odell Lueckemeyer and wife, Willie Mae Lueckemeyer, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

6.0333 acres, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Odell Lueckemeyer and wife, Willie Mae Lueckemeyer, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266152 for said additional payment to extend the primary term for an additional two (2) years from August 11, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 19th day of ~~March~~ June, 1998.

Odell Lueckemeyer
ODELL LUECKEMEYER
SS # [redacted]
2005 Kirk Dr.
Brenham, Texas 77833

Willie Mae Lueckemeyer
WILLIE MAE LUECKEMEYER
SS # [redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 19th day of June, 1998 Odell Lueckemeyer and wife, Willie Mae Lueckemeyer.

Cynthia R. Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 24 AM 10 57
Beth A. Rothermel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 25 1998

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

[VOL 807 PAGE 374

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 22nd day of September, 19 95,

between ROBERT WILLIAMS, and wife, BETTY JEAN WILLIAMS 9711

as Lessor (whether one or more), whose address is 2313 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

0.6333 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Warranty Deed, dated June 28, 1991, from the Resolution Trust Corporation, as Receiver of First Federal Savings and Loan Association of Brenham, Texas, to Robert Williams, and being recorded in Volume 650, Page 197, of the Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 0.6333 acres, whether it actually comprises more or less.

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX. Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID # **LESSOR:**

SS# [redacted]

SS# [redacted]

ROBERT WILLIAMS

BETTY JEAN WILLIAMS

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 23rd day of September, 19 95, by ROBERT WILLIAMS, and wife, BETTY JEAN WILLIAMS.

Notary Public

My Commission Expires:
8-7-1999

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "**ADDENDUM**" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 22, 1995 BY AND BETWEEN **ROBERT WILLIAMS, and wife, BETTY JEAN WILLIAMS,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION Robert Williams
ROBERT WILLIAMS

Betty Jean Williams
BETTY JEAN WILLIAMS

FILED
AT 9:40 AM.
DEC - 7 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 08 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

1558

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

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated September 22, 1995 recorded in Volume 807, Page 374, Official Records, Washington County, Texas from Robert Williams and wife, Betty Jean Williams, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

0.6333 acres, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Robert Williams and wife, Betty Jean Williams, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266174 for said additional payment to extend the primary term for an additional two (2) years from September 22, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 10th day of March, 1998.

ROBERT WILLIAMS SS# [redacted]
2313 S. Market
Brenham, Texas 77833

BETTY JEAN WILLIAMS SS# [redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 10th day of March, 1998 by Robert Williams and wife, Betty Jean Williams.

Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 12 1998

Beth Rothermel, County Clerk
Washington County, Texas

'98 MAR 11 PM 2 48

WASHINGTON CO. CLERK

FILED FOR RECORD

VOL 806 PAGE 488

OIL, GAS & MINERAL LEASE

9533

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 20th day of September, 19 95,

between RICHARD H. VESTAL, and wife, M. JANE VESTAL

as Lessor (whether one or more), whose address is 2315 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

1.638 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, and being more fully described in that certain Warranty Deed, dated September 1, 1995, from David Kasprowicz, and wife, Valeria Kasprowicz, to Richard H. Vestal, and wife, M. Jane Vestal, and being recorded in Volume 796, Page 687, of the Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.638 acres, whether it actually comprises more or less.

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

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

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

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

L-76 (08-93)

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. PLS Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

RICHARD H. VESTAL

M. JANE VESTAL

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 25 day of September, 19 95, by RICHARD H. VESTAL, AND WIFE, M. JANE VESTAL.

Notary Public

My Commission Expires:
3/29/98

DORIS WALENTA
Notary Public, State of Texas
My Commission Expires 03-29-1998

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 20, 1995 BY AND BETWEEN **RICHARD H. VESTAL, and wife, M. JANE VESTAL,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION Richard H. Vestal
RICHARD H. VESTAL

M. Jane Vestal
M. JANE VESTAL

FILED
AT 4:50 P M.
DEC - 1 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 04 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

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

3689

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated September 20, 1995 recorded in Volume 806, Page 488, Official Records, Washington County, Texas from Richard H. Vestal and wife, M. Jane Vestal, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

1.638 acres, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Richard H. Vestal and wife, M. Jane Vestal , do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266170 for said additional payment to extend the primary term for an additional two (2) years from September 20, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 22 day of ~~March~~ May, 1998.

Richard H Vestal
RICHARD H. VESTAL
SS [redacted]
2315 S. Market St.
Brenham, Texas 77833

M. Jane Vestal
M. JANE VESTAL
SS # [redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 22 day of ~~March~~ May, 1998 by Richard H. Vestal and wife, M. Jane Vestal.

Doris Walenta
Notary Public, State of Texas

DORIS WALENTA
Notary Public, State of Texas
My Commission Expires 03/09/2002

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 5 AM 10 2
Beth A. Rothermel
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on
AUG 16 2000
BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Carri Rochne
Deputy

STATE OF TEXAS
COUNTY OF WASHINGTON
I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on
JUN 08 1998
Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

VOL 800 PAGE 875

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

THIS LEASE AGREEMENT is made effective the 11th day of August 8173, 19 95,

between ODELL LUECKEMEYER, and wife, WILLIE MAE LUECKEMEYER

as Lessor (whether one or more), whose address is P. O. Box 1226, Brenham, Texas 77834,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

TRACT ONE: 1.8503 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Warranty Deed, dated October 12, 1984, from Claude Tassin to Odell Lueckemeyer, and being recorded in Volume 488, Page 819, of the Deed Records of Washington County, Texas.

TRACT TWO: 4.183 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being described as 4.487 acres, more or less, in that certain Warranty Deed, dated November 18, 1969, from R. Barnes, et al to Odell Lueckemeyer, and being recorded in Volume 296, Page 266, Deed Records of Washington County, Texas; LESS AND EXCEPT: 0.304 acres, more or less, more fully descibed in that certain Warranty Deed, dated December 29, 1976, from Odell Lueckemeyer to Lueckemeyer Enterprises, Inc., and being recorded in Volume 350, Page 757, of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 6.0333 acres, whether it actually comprises more or less.

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

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

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

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

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Washington County, TX. Deputy

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

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

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

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

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

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

11. Breach or Default. An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Odell Lueckemeyer
ODELL LUECKEMEYER

Willie Mae Lueckemeyer
WILLIE MAE LUECKEMEYER

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 11th day of August, 1995, by ODELL LUECKEMEYER and wife, WILLIE MAE LUECKEMEYER.

John Renaud
Notary Public

My Commission Expires:
August 7, 1999

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "ADDENDUM" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 11, 1995 BY AND BETWEEN ODELL LUECKEMEYER, AND WIFE, WILLIE MAE LUECKEMEYER, AS "LESSOR", AND UNION PACIFIC RESOURCES COMPANY, AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION O Dell Lueckemeyer
ODELL LUECKEMEYER

Willie Mae Lueckemeyer
WILLIE MAE LUECKEMEYER

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Peggy Wagers
Deputy
PEGGY WAGERS

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS: 4217

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 11, 1995 recorded in Volume 800, Page 875, Official Records, Washington County, Texas, from Odell Lueckemeyer and wife, Willie Mae Lueckemeyer, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

6.0333 acres, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Odell Lueckemeyer and wife, Willie Mae Lueckemeyer, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266152 for said additional payment to extend the primary term for an additional two (2) years from August 11, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 9th day of ~~March~~ June, 1998.

Odell Lueckemeyer
ODELL LUECKEMEYER
SS #[redacted]
2005 Kirk Dr.
Brenham, Texas 77833

Willie Mae Lueckemeyer
WILLIE MAE LUECKEMEYER
SS #[redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 19th day of June, 1998 Odell Lueckemeyer and wife, Willie Mae Lueckemeyer.

Cynthia R. Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 24 AM 10 57
Beth A. Rothermel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 25 1998

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

VOL 800 PAGE 872

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 11th day of August 8172, 19 95,

between LUECKEMEYER ENTERPRISES, INC., A TEXAS CORPORATION, REPRESENTED HEREIN BY ODELL LUECKEMEYER, AS PRESIDENT

as Lessor (whether one or more), whose address is P. O. Box 1226, Brenham, Texas 77834,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

0.304 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Warranty Deed, dated December 29, 1976, from Odell Lueckemeyer to Lueckemeyer Enterprises, Inc., and being recorded in Volume 350, Page 757, of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 0.304 acres, whether it actually comprises more or less.

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX. [illegible] Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

LESSOR:
LUECKEMEYER ENTERPRISES, INC., A TEXAS CORPORATION

TAX ID# [redacted]

ODELL LUECKEMEYER, as President

STATE OF Texas)
) ss.
COUNTY OF Washington)

This instrument was acknowledged before me this 11th day of August, 19 95, by ODELL LUECKEMEYER, as President of Lueckemeyer Enterprises, Inc., a Texas corporation, on behalf of said corporation.

Notary Public

My Commission Expires:
August 7, 1997

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "**ADDENDUM**" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 11, 1995 BY AND BETWEEN **LUECKEMEYER ENTERPRISES, INC., A TEXAS CORPORATION, REPRESENTED HEREIN BY ODELL LUECKEMEYER, AS PRESIDENT**, AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY**, AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

LUECKEMEYER ENTERPRISES, INC.

SIGNED FOR IDENTIFICATION O Dell Lueckemeyer
ODELL LUECKEMEYER, AS PRESIDENT

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 6 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

4216

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 11, 1995 recorded in Volume 800, Page 872, Official Records, Washington County, Texas from Lueckemeyer Enterprises, Inc., a Texas corporation, by Odell Luekemeyer, President, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

0.304 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, the undersigned, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266151 for said additional payment to extend the primary term for an additional two (2) years from August 11, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 22nd day of June, 1998.

Odell Luekemeyer

ODELL LUCKEMEYER, as President of
LUECKEMEYER ENTERPRISES, Inc.,
a Texas corporation
Tax ID #[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on this 22nd day of June, 1998, by ODELL LUECKEMEYER, as President of LUECKEMEYER ENTERPRISES, INC., a Texas corporation.

Cynthia R. Jenkins

Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 24 AM 10 57
Beth A. Rothermel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 25 1998

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

VOL 800 PAGE 885

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

THIS LEASE AGREEMENT is made effective the 15th day of September 8176, 19 95,

between JEANETTE S. STEINBACH, a feme sole

as Lessor (whether one or more), whose address is 2409 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

0.5 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Deed, dated June 14, 1954, from Martin Schroeder, and wife, Malinda Schroeder, to Leon Steinbach, and wife, Jeanette Steinbach, and being recorded in Volume 199, Page 293, of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 0.5 acres, whether it actually comprises more or less.

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 14.

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

SS # AND/OR TAX ID #

SS# [redacted]

LESSOR:

Jeanette S. Steinbach

JEANETTE S. STEINBACH, a feme sole

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 15th day of September, 1995, by JEANETTE S. STEINBACH, a feme sole

Notary Public John Renaud

My Commission Expires:
8-7-99

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "**ADDENDUM**" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 15, 1995, BY AND BETWEEN **JEANETTE S. STEINBACH, a feme sole,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

SIGNED FOR IDENTIFICATION Jeanette S. Steinbach
JEANETTE S. STEINBACH

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 0 6 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Peggy Wagers
Deputy
PEGGY WAGERS

MEMORANDUM OF OIL AND GAS LEASE 3810

THIS AGREEMENT, made and entered into this 8th day of June, 1998 by and between JEANETTE STEINBACH, a feme sole, hereinafter called "LESSOR", whose address is 2409 South Market St., Brenham, Texas 77833 and UNION PACIFIC RESOURCES COMPANY, hereinafter called "LESSEE", whose address is 801 Cherry Street, Fort Worth, Texas 76102;

WITNESSETH:

That Lessor, for a valuable consideration and in consideration of the covenants of the Lessee set forth in that certain Oil and Gas Lease made and entered into this day by and between the parties hereto covering 0.50 acres of land, more or less, situated in the John Long Survey, Washington County, Texas, more fully described in Warranty Deed dated June 14, 1954, from Martin Schroeder and wife, Malinda Schroeder to Leon Steinbach and wife, Jeanette Steinbach, recorded in Volume 199, Page 292, Deed Records, Washington County, Texas("Leased Premises"), does hereby grant, lease and let exclusively unto said Lessee for the purposes of exploring, drilling, operating for and producing oil, gas and associated hydrocarbon substances from the Leased Premises ("Lease").

The Lease is for a term of three (3) years and so long thereafter as oil or gas is being produced in paying quantities from the Leased Premises, or land pooled therewith, or so long thereafter as drilling, deepening or reworking operations for the production of oil or gas are being conducted thereon, as therein provided. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated September 15, 1995 (recorded in Volume 800, Page 885, of the Official Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests.

Reference is hereby made to executed copies of said Oil and Gas Lease in possession of Lessor and Lessee, respectively, for all provisions thereof, and by this reference same are incorporated herein and made a part hereof in all respects as though fully set forth herein.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

FILED FOR RECORD
WASHINGTON COUNTY, TX
98 JUN 9 AM 11 08
WASHINGTON CO. CLERK

Jeanette Steinbach
Jeanette Steinbach, a feme sole

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 8th day of June, 1998, by JEANETTE STEINBACH, a feme sole.

Cynthia R. Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 10 1998

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

VOL 800 PAGE 882

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 15th day of September 8175, 19 95,

between MALINDA SCHROEDER, a feme sole

as Lessor (whether one or more), whose address is 2411 S. Market, Brenham, Texas 77833.

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

0.5 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being described as 1.0 acre, more or less, in that certain Deed, dated April 19, 1954, from R. C. Barnes to Martin Schroeder, and wife, Malinda Schroeder, and being recorded in Volume 198, Page 446, of the Deed Records of Washington County, Texas;
LESS AND EXCEPT: 0.5 acres, more or less, out of the John Long Survey, A-156, being more fully described in that certain Deed, dated June 14, 1954, from Martin Schroeder, and wife, Malinda Schroeder, to Leon Steinbach, and wife, Jeanette Steinbach, and being recorded in Volume 199, Page 293, of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 0.5 acres, whether it actually comprises more or less.

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

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

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

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

L-76 (08-93)

AUG 0 4 2000

A CERTIFIED COPY issued

Beth Rothermel, County Clerk
Washington County, TX. Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 14.

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

SS # AND/OR TAX ID #

SS# [redacted]

LESSOR:

Malinda Schroeder
MALINDA SCHROEDER, a feme sole

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 15th day of September, 1995, by MALINDA SCHROEDER, a feme sole

John Renaud
Notary Public

My Commission Expires:
8-7-99

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "**ADDENDUM**" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 15, 1995, BY AND BETWEEN **MALINDA SCHROEDER, a feme sole,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

SIGNED FOR IDENTIFICATION Malinda Schroeder
MALINDA SCHROEDER

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 0 6 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

MEMORANDUM OF OIL AND GAS LEASE **3811**

THIS AGREEMENT, made and entered into this 8th day of June, 1998 by and between MALINDA SCHROEDER, a feme sole, by JEANETTE STEINBACH, as attorney-in-fact for MALINDA SCHROEDER, hereinafter called "LESSOR", whose address is 2411 South Market St., Brenham, Texas 77833 and UNION PACIFIC RESOURCES COMPANY, hereinafter called "LESSEE", whose address is 801 Cherry Street, Fort Worth, Texas 76102;

WITNESSETH:

That Lessor, for a valuable consideration and in consideration of the covenants of the Lessee set forth in that certain Oil and Gas Lease made and entered into this day by and between the parties hereto covering 0.50 acres of land, more or less, situated in the John Long Survey, Washington County, Texas, more fully described as 1.00 acre of land in Warranty Deed dated April 19, 1954, from R.C. Barnes and wife, Lillie Barnes to Martin Schroeder and wife, Malinda Schroeder, recorded in Volume 198, Page 446, Deed Records, Washington County, Texas; LESS AND EXCEPT: 0.50 acres of land, more or less, more fully described in Warranty Deed dated June 14, 1954, from Martin Schroeder and wife, Malinda Schroeder to Leon Steinbach and wife, Jeanette Steinbach, recorded in Volume 199, Page 292, Deed Records, Washington County, Texas, leaving 0.50 acres of land. ("Leased Premises"), does hereby grant, lease and let exclusively unto said Lessee for the purposes of exploring, drilling, operating for and producing oil, gas and associated hydrocarbon substances from the Leased Premises ("Lease").

The Lease is for a term of three (3) years and so long thereafter as oil or gas is being produced in paying quantities from the Leased Premises, or land pooled therewith, or so long thereafter as drilling, deepening or reworking operations for the production of oil or gas are being conducted thereon, as therein provided. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated September 15, 1995 (recorded in Volume 800, Page 882, of the Official Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests.

Reference is hereby made to executed copies of said Oil and Gas Lease in possession of Lessor and Lessee, respectively, for all provisions thereof, and by this reference same are incorporated herein and made a part hereof in all respects as though fully set forth herein.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Malinda Schroeder
By: Jeanette Steinbach

Malinda Schroeder, a feme sole, by
Jeanette Steinbach, as attorney-in
fact for Malinda Schroeder

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 8th day of June, 1998, by MALINDA SCHROEDER, a feme sole, by JEANETTE STEINBACH, as attorney-in-fact for MALINDA SCHROEDER.

Cynthia R. Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 9 AM 11 09
Beth A. Rothermel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 10 1998

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

RATIFICATION OF OIL, GAS AND MINERAL LEASE
WITH SEPARATE TRACT CLAUSE

3905

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

WHEREAS, on June 8, 1998, Malinda Schroeder, a feme sole, as Lessor, entered into an Oil, Gas and Mineral Lease with UNION PACIFIC RESOURCES COMPANY, as Lessee, which lease was recorded in Volume 800, Page 882, Official Records, Washington County, Texas, (the above described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 0.50 acres, more or less, situated in the John Long Survey, Abstract No. 156, Washington County, Texas; and

WHEREAS, the Lease and all rights and privileges thereunder are now owned and held by Union Pacific Resources Company; and

WHEREAS, it is the desire of the undersigned party hereto to adopt, ratify and confirm the Lease, including the pooling provisions in paragraph 5 and the provisions set forth in the last two (2) sentences of Paragraph 5 which is customarily known as a "Separate Tract Clause" and all and any amendments by and between Lessor and Lessee to the Lease;

NOW, THEREFORE, in consideration of the premises and One Dollar ($1.00) and other valuable consideration paid to us by Union Pacific Resources Company, the receipt of which is hereby acknowledged and confessed, I, Malinda Schroeder, as Lessor, do hereby adopt, ratify and confirm the Lease in all of its terms and provisions, and do hereby lease, grant, demise and let said land and premises unto Union Pacific Resources Company, as Lessee, subject to and in accordance with all of the terms and provisions of the Lease as fully and completely as if I had originally been named as Lessor in the Lease and had executed, acknowledged and delivered the same in my own proper person. The undersigned further acknowledges and agrees that it is the intention of the undersigned that the Lease and this instrument shall not be construed to pool or unite royalty interest of the undersigned in any one tract covered by the Lease which has a different royalty ownership, now or hereafter, whether such difference relates to the ownership, now or hereafter, whether such difference relates to the ownership or the percentage of the royalties. If the Lease, now or hereafter, covers separate tracts in which the royalty ownership is different, the Lessee shall have the right, in its discretion, to pool or unitize the interest of the undersigned in any such tract with any other tract covered by the Lease in the same manner as the Lessee is authorized by the terms of the Lease to pool or unitize land covered by this lease with any other land or leases. In such event, the royalty interest of the undersigned in such unit shall be determined on a surface acreage basis, in the proportion that the number of acres in which the undersigned owns a royalty interest bears to the total number of surface acres included in any such unit. And I, the undersigned, do hereby agree and declare that the Lease, and any amendments thereto, in all its terms and provisions is binding upon me, my heirs, successors, legal representatives and assigns, and is a valid and subsisting Oil, Gas and Mineral Lease.

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

A CERTIFIED COPY Issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

IN WITNESS WHEREOF, this instrument is executed on this the 10th day of June, 1998.

Malinda Schroeder
MALINDA SCHROEDER, a feme sole
2411 South Market St.
Brenham, Texas 77833
S. S. #[redacted]

STATE OF TEXAS }

COUNTY OF WASHINGTON }

This instrument was acknowledged before me on this 10th day of June, 1998 by MALINDA SCHROEDER

Cynthia R. Jenkins
NOTARY PUBLIC
STATE OF TEXAS

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 15 1998

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

FILED FOR RECORD
'98 JUN 12 PM 1 15
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Katrisha Pattison
Deputy

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

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

VOL 0944 PAGE 130

PAID UP OIL AND GAS LEASE L31134

THIS LEASE AGREEMENT is made as of the 15th day of October, 19 99, between 6541
Herbert Pieper and wife, Hattie Pieper
2415 S. Market St
Brenham, Texas 77833
as Lessor (whether one or more),
and Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

0.68 acres of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas, and being more particularly described in that certain Warranty Deed dated December 29, 1961 from Lonnie Haas and Irene Wendler Haas, husband and wife to Herbert Pieper and wife, Hattie Pieper, recorded in Volume 238, Page 246 of the Deed Records of Washington County, Texas.

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

See Exhibit "A" attached hereto and made a part hereof

in the county of Washington, State of Texas, containing 0.68 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Pay Direct to Lessor at address listed above

at _____

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

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

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

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

AP/1167-16 TX1671585-000

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO OR TAX ID
	Herbert Pieper **Herbert Pieper**	[redacted]
	Hattie Pieper **Hattie Pieper**	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 15th day of October , 19 99 , by Herbert Pieper and wife Hattie Pieper

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

THOMAS HOLLEMAN
NOTARY PUBLIC
State of Texas
Comm. Exp. 11-03-99

STATE OF TEXAS
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ } S.S.

This instrument was filed for record on the _____ day of _____ 19____ at _____ o'clock ___ M. and duly recorded in Book 944 Page 131 of the _____ records of this office.

AUG 04 2000

A CERTIFIED COPY issued _____
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A" L 3 1 1 3 4

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated October 15, 1999 between Herbert Pieper and wife Hattie Pieper, as Lessor and Chesapeake Exploration Limited Partnership as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

Signed for identification:

Herbert Pieper
Herbert Pieper

Hattie Pieper
Hattie Pieper

FILED FOR RECORD
WASHINGTON COUNTY, TX
99 NOV 15 PM 12: 03
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

NOV 16 1999

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

THIS LEASE AGREEMENT is made effective the 9th day of August, 1995,

between BENNIE H. HANATH, and wife, GLORIA ANN HANATH 8171

as Lessor (whether one or more), whose address is 2413 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

0.5 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, and being more fully described in that certain Deed, dated January 20, 1959, from Herbert Wendler, et al, to Bennie H. Hanath, and wife, Gloria Ann Hanath, and being recorded in Volume 221, Page 31, of the Deed Records of Washington County, texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 0.5 acres, whether it actually comprises more or less.

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX. Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID # **LESSOR:**

SS# [redacted]

SS# [redacted]

Bennie H. Hanath
BENNIE H. HANATH

Gloria Ann Hanath
GLORIA ANN HANATH

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 9th day of August, 19 95, by BENNIE H. HANATH and wife, GLORIA ANN HANATH.

John Renaud
Notary Public

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

My Commission Expires:
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:
_____

AUG 0 4 2000

A CERTIFIED COPY issued_____
Beth Rothermel, County Clerk
Washington County, TX._____Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 9, 1995 BY AND BETWEEN **BENNIE H. HANATH, and wife, GLORIA ANN HANATH,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION Bennie H. Hanath
BENNIE H. HANATH

Gloria Ann Hanath
GLORIA ANN HANATH

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 0 6 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

1708

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

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 9, 1995, recorded in Volume 800, Page 869, Official Records, Washington County, Texas Bennie H. Hanath and wife, Gloria Ann Hanath, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

0.50 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Bennie H. Hanath and wife, Gloria Ann Hanath, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266139 for said additional payment to extend the primary term for an additional two (2) years from August 9, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 12th day of March, 1998.

Bennie H. Hanath
BENNIE H. HANATH SS# [redacted]
2413 Market
Brenham, Texas 77833

Gloria Ann Hanath
GLORIA ANN HANATH SS# [redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 12th day of March, 1998 by Bennie H. Hanath and wife, Gloria Ann Hanath.

Cynthia R. Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Patrisha Pattison
Deputy

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 19 1998

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

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WASHINGTON COUNTY, TX
'98 MAR 18 PM 12 59
Beth A. Rothermel
WASHINGTON CO. CLERK

VOL. 890 PAGE 878

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 11th day of August 8174, 1995,

between THEO HAHN, and wife, LORENE HAHN

as Lessor (whether one or more), whose address is 2417 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR A DESCRIPTION OF LANDS COVERED BY THIS LEASE.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 2.8302 acres, whether it actually comprises more or less.

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Theo Hahn
THEO HAHN

Lorene Hahn
LORENE HAHN

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 11 day of August, 1995, by THEO HAHN and wife, LORENE HAHN.

L. J. LACINA, JR.
Notary Public, State of Texas
My Commission Expires 11-27-96

Notary Public

My Commission Expires:

STATE OF _____)
) ss.
COUNTY OF _____)

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

Notary Public

My Commission Expires:

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 11, 1995 BY AND BETWEEN **THEO HAHN, AND WIFE, LORENE HAHN**, AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY**, AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION

THEO HAHN

Lorene Hahn

LORENE HAHN

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX Deputy

EXHIBIT "A"

THIS **EXHIBIT "A"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 11, 1995 BY AND BETWEEN **THEO HAHN, and wife, LORENE HAHN**, AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY**, AS "LESSEE".

2.8302 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, and being described as several tracts of land as listed below:

Tract One: 2.0 acres, more or less, being more fully described in that certain Warranty Deed, dated June 22, 1961, from R. C. Barnes to Theo Hahn, and being recorded in Volume 234, Page 618, of the Deed Records of Washington County, Texas.

Tract Two: 0.99 acres, more or less, being more fully described in that certain Warranty Deed, dated July 16, 1954, from Herbert Schroeder to Theo Hahn, and being recorded in Volume 199, Page 437, of the Deed Records of Washington County, Texas.

Tract Three: 0.05 acres, more or less, being more fully described in that certain Warranty Deed, dated December 7, 1954, from Bennie Pfeifer to Theo Hahn, and being recorded in Volume 202, Page 207, of the Deed Records of Washington County, Texas.

Tract Four: 1,082 square feet, more or less, being more fully described in that certain Deed, dated December 26, 1958, from Alton Haar to Theo Hahn, and being recorded in Volume 220, Page 619, of the Deed Records of Washington County, Texas.

LESS AND EXCEPT:

2,238 square feet, more or less, being more fully described in that certain Deed, dated December 26, 1958, from Theo Hahn to Alton Haar, and being recorded in Volume 220, Page 617, of the Deed Records of Washington County, Texas.

7,981.7 square feet, more or less, being more fully described in that certain Warranty Deed, dated September 16, 1991, from Theo Hahn to Alton Haar, and being recorded in Volume 655, Page 438, of the Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION:

THEO HAHN

Lorene Hahn

LORENE HAHN

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on OCT 06 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

2419

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 11, 1995 recorded in Volume 800, Page 878, Official Records, Washington County, Texas from Theo Hahn and wife, Lorene Hahn, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

2.8302 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, the undersigned do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266138 for said additional payment to extend the primary term for an additional two (2) years from August 11, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 14 day of April, 1998.

Rosemary Knebel

ROSEMARY KNEBEL, as Trustee under the will of Theo Hahn, deceased, and as Attorney-in-Fact for Lorene Hahn, Individually and as Trustee under the will of Theo Hahn, deceased
S.S. [redacted]
2417 S. Market St.
Brenham, Texas 77833

ACKNOWLEDGEMENT

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on this 14th day of April, 1998, by Rosemary Knebel, as Trustee under the will of Theo Hahn, deceased, and as Attorney-in-Fact for Lorene Hahn, Individually and as Trustee under the will of Theo Hahn, deceased.

Cynthia R. Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

STATE OF TEXAS
COUNTY OF WASHINGTON

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

APR 16 1998

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

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 APR 15 AM 10 03
Beth A. Rothermel
WASHINGTON CO. CLERK

VOL 796 PAGE 606

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 22nd day of August 7051, 19 95,

between ALTON HAAR, and wife, BARBARA HAAR

as Lessor (whether one or more), whose address is 2421 S. Market, Brenham, Texas 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR A DESCRIPTION OF LANDS COVERED BY THIS LEASE.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 0.5008 acres, whether it actually comprises more or less.

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

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

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

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

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Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Alton Haar
ALTON HAAR

Barbara Haar
BARBARA HAAR

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 25th day of August, 19 95, by ALTON HAAR and wife, BARBARA HAAR.

John Renaud
Notary Public

My Commission Expires:
8-7-99

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"

THIS **EXHIBIT "A"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 22, 1995 BY AND BETWEEN **ALTON HAAR, and wife, BARBARA HAAR**, AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY**, AS "LESSEE".

0.5008 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, and being described as several tracts of land as listed below:

Tract One: 0.291 acres, more or less, being more fully described in that certain Warranty Deed, dated November 24, 1958, from E. F. Holt to Alton Haar, and being recorded in Volume 220, Page 237, of the Deed Records of Washington County, Texas.

Tract Two: 2,238 square feet, more or less, being more fully described in that certain Deed, dated December 26, 1958, from Theo Hahn to Alton Haar, and being recorded in Volume 220, Page 617, of the Deed Records of Washington County, Texas.

Tract Three: 7,981.7 square feet, more or less, being more fully described in that certain Warranty Deed, dated September 16, 1991, from Theo Hahn to Alton Haar, and being recorded in Volume 655, Page 438, of the Deed Records of Washington County, Texas.

LESS AND EXCEPT:

1,082 square feet, more or less, being more fully described in that certain Deed, dated December 26, 1958, from Alton Haar to Theo Hahn, and being recorded in Volume 220, Page 619, of the Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION: Alton Haar
ALTON HAAR

Barbara Haar
BARBARA HAAR

AUG 04 2000

A CERTIFIED COPY issued_____
Beth Rothermel, County Clerk
Washington County, TX_____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 22, 1995 BY AND BETWEEN **ALTON HAAR, and wife, BARBARA HAAR,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION Alton Haar
ALTON HAAR

Barbara Haar
BARBARA HAAR

FILED
AT 3:45 P.M.
AUG 31 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 01 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Patrisha Pattison
Deputy

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

1710

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

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 22, 1995, recorded in Volume 796, Page 606, Official Records, Washington County, Texas from Alton Haar and wife, Barbara Haar, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

0.5008 acres, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Alton Haar and wife, Barbara Haar, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266176 for said additional payment to extend the primary term for an additional two (2) years from August 22, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 12th day of March, 1998.

Alton O. Haar
ALTON HAAR SS# [redacted]
2421 S. Market.
Brenham, Texas 77833

Barbara Haar
BARBARA HAAR SS# [redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 12th day of March, 1998 by Alton Haar and wife, Barbara Haar.

Cynthia Jenkins
Notary Public, State of Texas

CYNTHIA R. JENKINS
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-22-2001

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 MAR 18 PM 12 59
Beth A. Rothermel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 19 1998

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

VOL 793 PAGE 48

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

6195

THIS LEASE AGREEMENT is made effective the 1st day of August, 1995,

between ALLAN HERZOG, and wife, JANE HERZOG

as Lessor (whether one or more), whose address is 2101 S. Market, Brenham, Texas 77833,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

3.78 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, and being more fully described in that certain Warranty Deed, dated March 17, 1993, and being recorded in Volume 693, Page 650, of the Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 3.78 acres, whether it actually comprises more or less.

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

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

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

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Allan Herzog

ALLAN HERZOG

Jane Herzog

JANE HERZOG

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 1ST day of August, 1995, by ALLAN HERZOG AND WIFE, JANE HERZOG.

Kenneth W. Nippert

Notary Public

My Commission Expires:
October 23, 1995

NOTARY PUBLIC STATE OF TEXAS
KENNETH W. NIPPERT
Notary Public, State of Texas
My Commission Expires
OCT. 23, 1995

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 1, 1995 BY AND BETWEEN **ALLAN HERZOG, AND WIFE, JANE HERZOG,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION

Allan Herzog
ALLAN HERZOG

Jane Herzog
JANE HERZOG

FILED
AT 11:45 P M.
AUG -7 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 0 8 1995

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Patrisha Patterson
Deputy

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated August 1, 1995, recorded in Volume 793, Page 048, Official Records, Washington County, Texas from Allan Herzog and wife, Jane Herzog, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

3.78 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Allan Herzog and wife, Jane Herzog, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266143 for said additional payment to extend the primary term for an additional two (2) years from August 1, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 17 day of June, 1998.

ALLAN HERZOG SS#[redacted]
7103 Adamek Rd
Brenham, Texas 77833

JANE HERZOG SS#[redacted]

INDIVIDUAL ACKNOWLEDGEMENT

State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 17 day of June, 1998 by Allan Herzog and wife, Jane Herzog.

Notary Public, State of Texas

RHONDA G. SPIES
Notary Public, State of Texas
My Commission Expires 08-04-2001

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 25 1998

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 24 PM 4 07
WASHINGTON CO. CLERK

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

L31485

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

VOL 0946 PAGE 935

PAID UP OIL AND GAS LEASE

7180

THIS LEASE AGREEMENT is made as of the 9th day of November, 19 99, between
Arlen Thielemann and wife Heather Thielemann
1410 Allison St.
Brenham, Texas 77833
as Lessor (whether one or more),
and **Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154**
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

0.68 acres of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas, and being more particularly described in that certain Warranty Deed dated July 27, 1997 from Barbara Theresa Gardner and husband John W. Gardner, James Mazen, a single man, Jerome Mazen, a single man, Cynthia Moran and husband Ty Moran, Jeffery Mazen and wife Rose Mazen to Arlen Thielemann and wife Heather Thielemann, recorded in Volume 867, Page 468 of the Official Records of Washington County, Texas.

For additional terms and conditions, see Exhibit "A" attached hereto and made a part hereof.

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

in the county of Washington, State of Texas, containing 0.68 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Pay Direct to Lessor at address listed above

at _____

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

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

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

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

AUG 0 4 2000

A CERTIFIED COPY issued _____
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

ETK167/ISaac/TX167614-COC

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO OR TAX ID
Ray Wellford	Arlen Thielemann	[redacted]
Walter Thielemann	Arlen Thielemann	
Henry Danske	Heather Thielemann	[redacted]
Glenda Stegent	Heather Thielemann	

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Washington

This instrument was acknowledged before me on the 17th day of November, 19 99,
by Arlen Thielemann and wife Heather Thielemann

LINDA J. EASON
MY COMMISSION EXPIRES
February 20, 2003

Linda J. Eason
Notary Public, State of Texas
Notary's name (printed): LINDA J. EASON
Notary's commission expires: 2-20-2003

ACKNOWLEDGEMENT
M = T

STATE OF TEXAS
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ } S.S.

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

L31485

EXHIBIT "A"

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated November 8, 1999 between Arlen Thielemann and wife Heather Thielemann, as Lessor and Chesapeake Exploration Limited Partnership, as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

Signed for identification:

Arlen Thielemann

Heather Thielemann

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 21 1999

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

FILED FOR RECORD
WASHINGTON COUNTY, TX
99 DEC 20 PM 1:39
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON
The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Patrisha Patterson
Deputy

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

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

VOL 0948 PAGE 634

PAID UP OIL AND GAS LEASE

0129

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

L31612

THIS LEASE AGREEMENT is made as of the 24th day of November, 19 99, between

Nancy Bonkowski, a feme sole
2517 S. Market St.
Brenham, Texas 77833

as Lessor (whether one or more),

and **Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154**

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

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

0.68 acres of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas, as more particularly described in that certain Warranty Deed dated January 14, 1959 from R. C. Barnes and Lillie Barnes, husband and wife to V. H. Bonkowski and wife Nancy Bonkowski, recorded in Volume 221, Page 1 of the Deed Records of Washington County, Texas.

For additional terms and conditions, see Exhibit "A" attached hereto and made a part hereof

in the county of Washington, State of Texas, containing 0.68 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Pay Direct to Lessor at address listed above

at _____

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

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

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

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

JK 1167-162 311068

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

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

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Washington

This instrument was acknowledged before me on the 1st day of December, 19 99, by Nancy Bonkowski, a feme sole

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

W. THOMAS HOLLEMAN
MY COMMISSION EXPIRES
November 3, 2003

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ } S.S.

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

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"

L 3 1 6 1 2

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated November 24, 1999 between Nancy Bonkowski, a feme sole, as Lessor and Chesapeake Exploration Limited Partnership, as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

Signed for identification:

Nancy Bonkowski

Nancy Bonkowski

FILED FOR RECORD
WASHINGTON COUNTY, TX
00 JAN 10 AM 10:54
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 1 1 2000

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

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

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

VOL 0951 PAGE 494

PAID UP OIL AND GAS LEASE

0806

L32068

THIS LEASE AGREEMENT is made as of the 20th day of October, 19 99, between J. K. Gardner and Robert W. Gardner
P.O. Box 868
Hamilton, Texas 76531
as Lessor (whether one or more), and Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, P.O. Box 18496, Oklahoma City, OK 73154 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

1.00 acre of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas, and being more particularly described in that certain Warranty Deed dated October 31, 1986 from Ping N. Tan, d/b/a Brenham Monuments, and wife Su Tan to J. K. Gardner and Robert W. Gardner, recorded in Volume 549, Page 465 of the Official Records of Washington County, Texas

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

See Exhibit "A" attached hereto and made a part hereof

in the county of Washington, State of Texas, containing 1.00 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Pay Direct to Lessor at address listed above

at _____

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

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

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

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

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A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX _____ Deputy

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

SS NO OR TAX ID

J.K. Gardner [redacted]

Robert W. Gardner [redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Hamilton

This instrument was acknowledged before me on the 12th day of ~~October~~ November, 19 99
by J. K. Gardner and Robert W. Gardner.

BARBARA BeLISLE
Notary Public, State of Texas
My Comm. Expires 11-5-2002

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

ACKNOWLEDGEMENT
M = T

STATE OF TEXAS
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ S.S.

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

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"
L 32068

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated October 20, 1999 between J. K. Gardner and Robert W. Gardner, as Lessor and Chesapeake Exploration Limited Partnership as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

Signed for identification:

J. K. Gardner

Robert W. Gardner

FILED FOR RECORD
00 FEB 14 AM 11:07
BETH ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

FEB 15 2000

Beth Rothermel, County Clerk
Washington County, Texas

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the OFFICIAL RECORDS in my office with volume and page number stamped thereon. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Patrisha Pattison
Deputy

MEMORANDUM OF OIL AND GAS LEASE **7009**

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

STATE OF TEXAS §
§ L 31557
COUNTY OF WASHINGTON §

BE IT REMEMBERED that on this 27th day of September, 1999, an Oil and Gas Lease was made and entered into by and between **THE FROST NATIONAL BANK, TRUSTEE for the benefit of ANNE E. COLEMAN BARNES, JANIS BARNES COLLINS AND CHRISTINE BARNES WEBB, U/W/O ROBBIE D. BARNES, Dec'd., Account A0332800,** whose address is P. O. Box 1600, San Antonio, Texas 78296, as Lessors, and **CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP**, an Oklahoma Limited Partnership, as Lessee, whose address is P. O. Box 18496, Oklahoma City, OK 73154,, whereby Lessor granted, leased and let unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas, all of Lessor's interest in those certain lands situated in Washington, County, Texas, described below and made a part hereof for all purposes.

71.72 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas and being described in four tracts as follows;

TRACT 1: 24.465 acres of land, more or less, in the John Long Survey, Abstract No. 125, Washington County, Texas and being the same land described in that certain Warranty Deed dated June 2, 1982 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 436, Page 761 of the Deed Records of Washington County, Texas.

TRACT 2: 3.732 acres of land, more or less, in the John Long Survey, Abstract No. 125, Washington County, Texas and being the same land described in that certain Warranty Deed dated June 2, 1982 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 436, Page 761 of the Deed Records of Washington County, Texas.

TRACT 3: 11.825 acres of land, more or less, in the John Long Survey, Abstract No. 125, Washington County, Texas and being the same land described in that certain Warranty Deed dated June 2, 1984 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 489, Page 228 of the Deed Records of Washington County, Texas.

TRACT 4: 31.698 acres of land, more or less, in the John Long Survey, Abstract No. 125, Washington County, Texas and being the same land described in that certain Warranty Deed dated June 2, 1984 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 489, Page 228 of the Deed Records of Washington County, Texas.

The above described oil and gas lease is for a primary term of Two (2) years from its date and contains other terms and provisions which are by reference incorporated herein and made a part hereof in all respects as though the same were fully set forth therein.

Executed copies of said Oil and Gas lease are in the possession of Lessors and Lessee.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

THE FROST NATIONAL BANK, TRUSTEE FOR THE BENEFIT OF ANNE E. COLEMAN BARNES, JANIS BARNES COLLINS AND CHRISTINE BARNES WEBB, U/W/O ROBBIE D. BARNES, DEC'D. ACCOUNT A0332800
TAX I. D. NO.: [redacted]

By: _____
BAKER DUNCAN, VICE PRESIDENT

"LESSOR"

AUG 04 2000

A CERTIFIED COPY issued_____
Beth Rothermel, County Clerk
Washington County, TX._____Deputy

BS/1167-16

VOL 0946 PAGE 283

L 31557

CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP,
AN OKLAHOMA LIMITED PARTNERSHIP

By: _____

"LESSEE"

STATE OF TEXAS §
§
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, in and for said county, Texas, on this day personally appeared **BAKER DUNCAN, VICE PRESIDENT,** known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said **FROST NATIONAL BANK**, a corporation, and that he executed the same as the act of said corporation for the purposes and consideration therein expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of September, 1999.

ROSA I. BONILLA
Notary Public, State of Texas
My Commission Expires 08-28-01

Rosa I. Bonilla
Notary Public, State of Texas

STATE OF Oklahoma §
COUNTY OF Oklahoma §

BEFORE ME, the undersigned authority, in and for said county, on this day personally appeared Gary S. Dunlap, Land Manager-Gulf Coast, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of **CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AN OKLAHOMA LIMITED PARTNERSHIP**, and that he executed the same as the act of said partnership for the purposes and consideration therein expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5th day of October, 1999.

JONNA MICHELLE NOWAKOWSKI
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires July 29, 2002

Jonna M. Nowakowski
Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 14 1999

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

FILED FOR RECORD
WASHINGTON COUNTY, TX
99 DEC 13 PM 1:52
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in Volume 946, Page 283, of the Official Records in my office. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy
Latrisha Pattison

G:\LEASE\CHESAPEAKEMEMO\3/8/99\FB

0298

AMENDMENT TO OIL AND GAS LEASE

STATE OF TEXAS }{
COUNTY OF WASHINGTON }{

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

L 31855

WHEREAS, a certain Oil and Gas Lease dated September 27, 1999 was executed by and between **The Frost National Bank, Trustee for the benefit of Anne E. Coleman Barnes, Janis Barnes Collins and Christine Barnes Webb, u/w/o Robbie D. Barnes, Dec'd., Account A0332800, as Lessor and Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, as Lessee,** of which a Memorandum of Oil and Gas Lease is recorded in Volume 946, Page 282 of the Official Records of Washington County, Texas ("Said Lease") and which Said Lease covers certain Lands situated in Washington County, Texas, more particularly described in the Memorandum of Oil and Gas Lease referenced herein.

WHEREAS, the description in Said Lease is incomplete and inaccurate, and the lands intended to be covered by Said Lease are more accurately described as follows:

71.72 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas and being described in four tracts as follows:

TRACT 1: 24.465 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas and being the same land described as Tract 1 in that certain Warranty Deed dated June 2, 1982 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 436, Page 761, of the Deed Records of Washington County, Texas.

TRACT 2: 3.732 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas and being the same land described as Tract 2 in that certain Warranty Deed dated June 2, 1982 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 436, Page 761, of the Deed Records of Washington County, Texas.

TRACT 3: 11.825 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas and being the same land described as Tract I in that certain Warranty Deed dated June 2, 1984 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 489, Page 228, of the Deed Records of Washington County, Texas.

TRACT 4: 31.698 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas and being the same land described as Tract II in that certain Warranty Deed dated June 2, 1984 from Robbie D. Barnes, et al to Lee Roy Lehrmann and Walter F. Thielemann and recorded in Volume 489, Page 228, of the Deed Records of Washington County, Texas.

NOW, THEREFORE, for good and valuable consideration in hand paid to the undersigned by Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership, and for the purpose of making Said Lease definite and certain in respect to the identity of the lands intended to be covered thereby, we do hereby acknowledge it was the intention of the Lessor in the aforesaid lease to lease all of the lands last above described, and we do hereby amend Said Lease in respect to the description of the lands included therein, and we do hereby ratify, adopt and confirm the same as so amended.

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

TX1671583-001

L 31855

EXECUTED this the 22nd Day of November, 1999, but effective as of the 27th day of September, 1999.

"Lessor"
The Frost National Bank, Trustee for the benefit
of Anne E. Coleman Barnes, Janis Barnes Coilins
and Christine Barnes Webb, u/w/o Robbie D. Barnes, Dec'd.
Acct A0332800

BY: _____
Baker Duncan, Vice President

STATE OF TEXAS }{

COUNTY OF BEXAR }{

Before Me, the undersigned authority, in and for said County, Texas, on this day personally appeared **BAKER DUNCAN, VICE PRESIDENT**, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said **FROST NATIONAL BANK**, a corporation, and that he executed the same as the act of said corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd Day of November, 1999.

_____
Notary Public, State of Texas.

NOTARY PUBLIC STATE OF TEXAS
NARCEDALIA J. CORTINAS
Notary Public, State of Texas
My Commission Expires 08-25-2002

FILED FOR RECORD
WASHINGTON COUNTY, TX
00 JAN 18 AM 11:53
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 19 2000

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

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in Volume 949, Page 304, of the Official Records in my office. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS.
By Latrisha Pattison
Deputy
Latrisha Pattison

VOL 792 PAGE 118

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

6014

THIS LEASE AGREEMENT is made effective the 22nd. day of July, 19 95,

between ROBERT HODDE AND WIFE, DEBORAH HODDE

as Lessor (whether one or more), whose address is 1805 West Loop 290, Brenham, Texas 77833

and UNION PACIFIC RESOURCE COMPANY, as Lessee,

whose address is 801 Cherry St., Forth Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten and NO/100 and other good and valuable consideration ---------- Dollars ($ 10.00 (OGVC)), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in Washington County, Texas, to-wit:

1.00223 acres of land, more or less, out of the ISAAC LEE League, A-77 and JOHN LONG LEAGUE, A-156, Washington County, Texas, and being more fully described in that certain Warranty Deed dated August 24, 1993, from C. E. HODDE and wife, MARTHA HODDE, to ROBERT HODDE and wife, DEBORAH HODDE, and recorded in Volume 707, Page 623, Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.00223 acres, whether it actually comprises more or less.

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

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

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

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

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. See **ADDENDUM** attached hereto and made part hereof for Paragraph 12-15.

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

SS # AND/OR TAX ID #

LESSOR:

SS#: [redacted]

ROBERT HODDE

SS# [redacted]

Deborah Hodde

DEBORAH HODDE

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 25 day of July, 19 95, by **ROBERT HODDE and wife, DEBORAH HODDE.**

Mary Jinnette
Notary Public

My Commission Expires:

MARY JINNETTE
MY COMMISSION EXPIRES
August 16, 1998

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS **"ADDENDUM"** IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JULY 22, 1995 BY AND BETWEEN **ROBERT HODDE and wife, DEBORAH HODDE,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

13. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

14. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the Leased premises, then all of leased premises will be included in such pool or unit.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION:

ROBERT HODDE

Deborah Hodde

DEBORAH HODDE

FILED
11:15 A M.
AUG - 1 1995
Beth Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 0 2 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

1555

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of the Oil, Gas and Mineral Lease dated July 22, 1995, recorded in Volume 792, Page 118, Official Records, Washington County, Texas from Robert Hodde and wife, Deborah Hodde, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

1.00223 acres of land, more or less, out of the John Long Survey, A-156, and the Isaac Lee League, A-77, Washington County, Texas (the above-described lease being herein referred to as the "Lease"): and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, WE, Robert Hodde and wife, Deborah Hodde, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10263730 for said additional payment to extend the primary term for an additional two (2) years from July 22, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to , and under the terms and provisions of the.Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up lease.

EXECUTED this 11 day March, 1998.

ROBERT HODDE
1805 West Loop 290
Brenham, Texas 77833
SS # [redacted]

DEBORAH HODDE
1805 West Loop 290
Brenham, Texas 77833
SS # [redacted]

INDIVIDUAL ACKNOWLEDGMENT

State of Texas }

County of Washington }

This instrument was acknowledged before me on this 11 day of March, 1998 by ROBERT HODDE AND WIFE, DEBORAH HODDE.

Notary Public, State of Texas

PATRICK SHAWN WILDER
MY COMMISSION EXPIRES
November 26, 2001

My Commission Expires: November 26, 2001.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 12 1998

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

'98 MAR 11 PM 2 48

WASHINGTON CO. CLERK

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

POUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-0707

VOL 0948 PAGE 631

0128

PAID UP OIL AND GAS LEASE

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

THIS LEASE AGREEMENT is made as of the 23rd day of November, 19 99, between Steven I. Hollister and wife Donna S. Hollister
2418 S. Market St.
Brenham, Texas 77833
as Lessor (whether one or more),

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

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

1.069 acres of land, more or less, situated in the John Long Survey, A-156, Washington County, Texas and being more particularly described in that certain Warranty Deed dated May 14, 1981 from Dana I. Kestenbaum, Individually and as Independent Executor of the Estates of Louis Hausman and Flora Kestenbaum Hausman, deceased and Beatrice Kestenbaum to Steven I. Hollister, recorded in Volume 416, Page 421 of the Deed Records of Washington County, Texas.

For additional terms and conditions, see Exhibit "A" attached hereto and made a part hereof

in the county of Washington, State of Texas, containing 1.069 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Pay Direct to Lessor at address listed above

at _____

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

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

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

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

JK 1407-161 311068 TX1671621--CCC

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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

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

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

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

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

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

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

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

WITNESSES AND/OR ATTESTATIONS:

LESSOR (WHETHER ONE OR MORE)

Steven I. Hollister

Donna C. Hollister

SS NO OR TAX ID

[redacted]

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Washington

This instrument was acknowledged before me on the 1st day of December, 19 99
by Steven I. Hollister and wife Donna C. Hollister

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

W. THOMAS HOLLEMAN
MY COMMISSION EXPIRES
November 3, 2003

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

RECORDING INFORMATION

STATE OF _____
County of _____ S.S.

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

A CERTIFIED COPY issued: AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"

L 3 1 6 1 3

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated November 23, 1999 between Steven I. Hollister and wife Donna C. Hollister, as Lessor and Chesapeake Exploration Limited Partnership, as Lessee.

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

16. It is understood and agreed that no surface operations of any kind or character shall be conducted on the herein described leased premises without the written consent of Lessor.

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

Signed for identification:

Steven I. Hollister

Donna C. Hollister

FILED FOR RECORD
WASHINGTON COUNTY, TX
00 JAN 10 AM 10: 54
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 1 1 2000

Beth Rothermel, County Clerk
Washington County, Texas

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in Volume 948, Page 631, of the Official Records in my office. I hereby certify on

AUG 0 4 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

VOL 806 PAGE 491

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

THIS LEASE AGREEMENT is made effective the 27th day of September 9534, 19 95,

between STEVE J. WESNESKI, and wife, MARY E. WESNESKI

as Lessor (whether one or more), whose address is 8631 Friendship, Houston, Texas 77080,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Fort Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

1.0 acre, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Warranty Deed, dated August 12, 1972, from John Taylor to Steve J. Wesneski, and being recorded in Volume 313, Page 841, of the Deed Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.0 acres, whether it actually comprises more or less.

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

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

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

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

A CERTIFIED COPY issued AUG 0 4 2000

Beth Rothermel, County Clerk

Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

SS# [redacted]

SS# [redacted]

LESSOR:

Steve J. Wesneski
STEVE J. WESNESKI

Mary E. Wesneski
MARY E. WESNESKI

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me this 3rd day of October, 19 95, by STEVE J. WESNESKI and wife, MARY E. WESNESKI.

John Renaud
Notary Public

My Commission Expires:
8-7-1999

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

THIS "**ADDENDUM**" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 27, 1995 BY AND BETWEEN **STEVE J. WESNEKI, and wife, MARY E. WESNESKI**, AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY**, AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

SIGNED FOR IDENTIFICATION Steve J. Wesneski
STEVE J. WESNESKI

Mary E. Wesneski
MARY E. WESNESKI

FILED
AT 4:50 P.M.
DEC - 1 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 04 1995

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

2042

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated September 27, 1995 recorded in Volume 806, Page 491, Official Records, Washington County, Texas from Steve J. Wesneski and wife, Mary E. Wesneski, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

1.00 acre, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, we, Steve J. Wesneski and wife, Mary E. Wesneski , do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266172 for said additional payment to extend the primary term for an additional two (2) years from September 27, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 30th day of March, 1998.

Steve J. Wesneski
STEVE J. WESNESKI
SS #[redacted]
8631 Friendship
Houston, Texas 77080

Mary E. Wesneski
MARY E. WESNESKI
SS #[redacted]

INDIVIDUAL ACKNOWLEDGEMENT

The State of Texas }
}
County of Harris }

This instrument was acknowledged before me on this 30 day of March, 1998 by Steve J. Wesneski and wife, Mary E. Wesneski.

Ruth Ermis
Notary Public, State of Texas

RUTH ERMIS
MY COMMISSION EXPIRES
June 2, 1999

STATE OF TEXAS
COUNTY OF WASHINGTON

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

APR 02 1998

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

FILED
'98 APR 1 PM 2 24
WASHINGTON CO. CLERK

VOL 793 PAGE 51

PROD 88 (REV 8/93)
PAID UP

OIL, GAS & MINERAL LEASE

6196

THIS LEASE AGREEMENT is made effective the 28th day of July, 19 95,

between **BRENHAM HEATING & AIR CONDITIONING COMPANY**

as Lessor (whether one or more), whose address is P.O. Box 375, Brenham, Texas 77834,

and **UNION PACIFIC RESOURCES COMPANY**, as Lessee,

whose address is 801 Cherry Street, Fort Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100TH DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & O.G.V.C.------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

Washington County, Texas, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR THE LEGAL DECRIPTION OF THE LEASED PREMISES

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.28954 acres, whether it actually comprises more or less.

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

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's field separator facilities, the royalty shall be Three-Sixteenths (3/16) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be Three-Sixteenths (3/16) of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

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Beth Rothermel, County Clerk

Washington County, TX. _____ Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 14.

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

SS # AND/OR TAX ID #

TAX I.D.# [redacted]

LESSOR:

Royce Lehrmann

ROYCE LEHRMANN, PRESIDENT OF BRENHAM HEATING & AIR CONDITIONING COMPANY

STATE OF **TEXAS**)
) ss.
COUNTY OF **WASHINGTON**)

This instrument was acknowledged before me this _____ day of _____, 19 **95**, by **ROYCE LEHRMANN, PRESIDENT OF BRENHAM HEATING & AIR CONDITIONING COMPANY.**

Gladys Koether
Notary Public

My Commission Expires:
10-9-97

GLADYS KOETHER
Notary Public, State of Texas
My Commission Expires 10-09-97

STATE OF _____)
) ss.
COUNTY OF _____)

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

_____
Notary Public

My Commission Expires:

_____

A CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

"ADDENDUM"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE, DATED JULY 28, 1995, BY AND BETWEEN BRENHAM HEATING & AIR CONDITIONING COMPANY, AS LESSORS, AND UNION PACIFIC RESOURCES COMPANY AS LESSEE.

12. The following typewritten agreements and provisions shall supersede and govern the provisions in the printed text of this lease whenever such printed form is in conflict herewith.

13. Notwithstanding any provisions herein to the contrary, it is agreed and understood that Lessee, its heirs or assigns, shall not enter upon the leased premises for conducting drilling operations. Any production from the leased premises shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

14. If at or after the end of the primary term of this lease, a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operation on or production from such unit or units will maintain this lease in force only as to land included in such unit or units. This lease as to the land not included in such unit or units, may be maintained in force and effect during the primary term hereof by the payment of a proportionate part of the rentals provided herein as to the acreage not included in such unit or units, or by drilling or reworking operations on such acreage or production therefrom, in accordance with the terms and provisions of this lease.

SIGNED FOR IDENTIFICATION

Royce Lehmann, President of Brenham
Heating & Air Conditioning Company

CERTIFIED COPY issued AUG 0 4 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE, DATED JULY 28, 1995, BY AND BETWEEN BRENHAM HEATING & AIR CONDITIONING COMPANY, AS LESSORS, AND UNION PACIFIC RESOURCES COMPANY AS LESSEE.

1.28954 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas, and being the same land described in the following two tracts:

TRACT 1: 0.35354 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas, and being the same land described in that certain Warranty Deed dated October 6, 1965 from Robbie D. Barnes and wife, Mary Jane Barnes to Brenham Heating & Air Conditioning Company and recorded in Volume 261, Volume 496, of the Deed Records of Washington County, Texas.

TRACT 2: 0.936 acres of land, more or less, in the John Long Survey, Abstract No. 156, Washington County, Texas, and being the same land described in that certain Warranty Deed dated February 28, 1967 from Brentex Building Company to Brenham Heating & Air Conditioning Company and recorded in Volume 269, Volume 590, of the Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION

Royce Lehrmann

Royce Lehrmann, President of Brenham Heating & Air Conditioning Company

END OF EXHIBIT "A"

FILED
AT 11:45 A M.
AUG - 7 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 0 8 1995

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

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MEMORANDUM OF OIL, GAS AND MINERAL LEASE 1924

THIS AGREEMENT, made and entered into this 24th day of March, 1998 by and between Brenham Heating & Air Conditioning Company, hereinafter called "LESSOR" whose address is P.O. Box 357, Brenham, Texas 77833 and UNION PACIFIC RESOURCES COMPANY, called "LESSEE" whose address is 801 Cherry Street, Fort Worth, Texas 76102;

WITNESSETH:

That Lessor, for a valuable consideration and in consideration of the covenants of the Lessee set forth in that certain Oil and Gas lease made and entered into this day by and between the parties hereto covering the land hereinafter described, does hereby grant lease and let exclusively unto said Lessee for the purposes of exploring, drilling, operating for and producing oil, gas and associated hydrocarbon substances from all that certain land (Leased Premises) situated in the County of Washington, State of Texas, and more particularly described as follows:

1.28954 acres of land more or less, in two (2) tracts, located in the John Long Survey, A-156, Washington County, Texas to wit:

Tract One: 0.35354 acres of land, more or less, located in the John Long Survey, A-156, Washington County, Texas, more fully described in that certain deed dated October 6, 1965 from Robbie D. Barnes and wife, Mary Jane Barnes to Brenham Heating & Air Conditioning Company, recorded in Volume 261 at Page 496, Deed Records of Washington County, Texas.

Tract Two: 0.936 acres of land more or less, located in the John Long Survey, A-156, Washington County, Texas, more fully described in that certain deed dated February 28, 1967 from Brentex Building Company to Brenham Heating & Air Conditioning Company, recorded in Volume 269 at Page 590, Deed Records of Washington County, Texas.

The lease is for a term of three (3) years and so long thereafter as oil or gas is being produced in paying quantities from the Leased premises, or land pooled therewith, or so long thereafter as drilling, deepening, or reworking operations for the production of oil or gas are being conducted thereon, as therein provided.

Reference is hereby made to executed copies of said Oil and Gas Lease in possession of Lessor and Lessee, respectively, for all provisions thereof, and by this reference same are incorporated herein and made a part of hereof in all respects as though fully set forth herein.

Royce Lehrmann

ROYCE LEHRMANN, President of Brenham Heating & Air Conditioning Company.

ACKNOWLEDGMENT

STATE OF TEXAS }

COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 24th Day of March, 1998 by **ROYCE LEHRMANN, President of Brenham Heating & Air Conditioning Company.**

Gladys Koether

Notary Public, State of Texas

My Commission Expires: 10-09-01

GLADYS KOETHER
Notary Public, State of Texas
My Commission Expires 10-09-01

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. _____ Deputy

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FILED FOR RECORD
WASHINGTON COUNTY, TX

'98 MAR 27 AM 10 45

Beth O. Rothermel

WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 30 1998

Beth O. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic copy of the original record now in my lawful custody, and possession as the same is recorded in Volume 887, Page 758, of the Official Records in my office. I hereby certify on

AUG 04 2000

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Latrisha Pattison
Deputy

Latrisha Pattison

Also Mary Kay

VOL. 800 PAGE 888

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

8177

THIS LEASE AGREEMENT is made effective the 18th day of SEPTEMBER, 19 95,

between STEGENT & THIELEMANN PLUMBING, A PARTNERSHIP REPRESENTED HEREIN BY DAVID STEGENT, A PARTNER, AND WALTER F. THIELEMANN, A PARTNER

as Lessor (whether one or more), whose address is P. O. Box 1196, Brenham, Texas 77834,

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 Cherry Street, Ft. Worth, Texas 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of TEN AND NO/100 AND OTHER GOOD AND VALUABLE CONSIDERATIONS---------- Dollars ($ 10.00 & OGVC----------), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

1.0142 acres, more or less, out of the John Long Survey, A-156, of Washington County, Texas, being more fully described in that certain Warranty Deed, dated May 17, 1984, from Samuel Behnke, and wife, Grace Behnke, to Stegent & Thielemann Plumbing, a partnership of David Stegent and Walter F. Thielemann, and being recorded in Volume 474, Page 76, of the Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.0142 acres, whether it actually comprises more or less.

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

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

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

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

L-76 (08-93)

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. Deputy

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

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

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

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

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

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

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal - agent relationship between Lessor and Lessee for any purpose. SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF FOR PARAGRAPHS 12 THRU 15.

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

SS # AND/OR TAX ID #

Tax I D# [redacted]

LESSOR:
STEGENT & THIELEMANN PLUMBING, A PARTNERSHIP

David Stegent
DAVID STEGENT, A PARTNER

Walter F. Thielemann
WALTER F. THIELEMANN, A PARTNER

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 21st day of September, 1995, by DAVID STEGENT, A PARTNER on behalf of STEGENT & THIELEMANN PLUMBING, A PARTNERSHIP.

John Renaud
Notary Public

My Commission Expires:
8-7-1999

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 18th day of September, 1995, by WALTER F. THIELEMANN, A PARTNER on behalf of STEGENT & THIELEMANN PLUMBING, A PARTNERSHIP

JOHN RENAUD
MY COMMISSION EXPIRES
August 7, 1999

John Renaud
Notary Public

My Commission Expires:
8-7-1999

A CERTIFIED COPY issued AUG 04 2000
Beth Rothermel, County Clerk
Washington County, TX. Deputy

"ADDENDUM"

THIS "ADDENDUM" IS ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 18, 1995 BY AND BETWEEN **STEGENT & THIELEMANN PLUMBING, A PARTNERSHIP REPRESENTED HEREIN BY DAVID STEGENT, A PARTNER, AND WALTER F. THIELEMANN, A PARTNER,** AS "LESSOR", AND **UNION PACIFIC RESOURCES COMPANY,** AS "LESSEE".

12. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of leased premises will be included in such pool or unit.

13. Anything contained herein to the contrary notwithstanding, this lease cannot be held in force solely by the payment of shut-in gas royalty payments after the end of the primary term for more than three (3) consecutive years or from time to time not to exceed an aggregate of three (3) years.

14. It is expressly understood and agreed between Lessor and Lessee herein, that Lessee shall conduct no surface operations on the above described leased premises.

15. Lessee is hereby given the option, to be exercised prior to the date of which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for a period of two (2) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor of the additional consideration of the sum of Fifty Dollars ($50.00) per acre for each acre so extended, which payment shall cover the two (2) years of the extended term. Lessor hereby acknowledges that there will be no Rentals due to extend the lease nor during the extended period.

STEGENT & THIELEMANN PLUMBING, A PARTNERSHIP

SIGNED FOR IDENTIFICATION David Stegent
DAVID STEGENT, A PARTNER

Walter F Thielemann
WALTER F. THIELEMANN, A PARTNER

FILED
AT 4:20 P M.
OCT - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE EXTENSION

4157

STATE OF TEXAS }
}
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the owner of Oil, Gas and Mineral Lease dated September 18, 1995 recorded in Volume 800, Page 888, Official Records, Washington County, Texas, Stegent & Thielemann Plumbing, a Partnership composed of David Stegent and Walter F. Thielemann, as Lessor, to Union Pacific Resources Company, as Lessee, covering:

1.0142 acres, more or less, out the John Long Survey, A-156, Washington County, Texas (the above-described lease being herein referred to as the "Lease"): and

WHEREAS, the Lease provided Lessee the right and option to extend the primary term for two (2) additional years from the expiration of the original primary term by tendering an additional payment to Lessor;

NOW THEREFORE, the undersigned, do hereby acknowledge receipt of Union Pacific Resources Company's Check No. 10266168 for said additional payment to extend the primary term for an additional two (2) years from September 18, 1998. Lessor hereby in all things adopts, ratifies and confirms the Lease as the same is hereby amended, and hereby grants, leases and lets all of the acreage above-described and as referenced unto Lessee subject to, and under the terms and provisions of the Lease; and the Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes. Lessor hereby acknowledges that there are no rentals due by Lessee and the Lease is now a five (5) year paid-up Lease.

EXECUTED this 25th day of May, 1998.

STEGENT & THIELEMANN PLUMBING,
a Partnership
TAX ID# [redacted]

David Stegent
DAVID STEGENT, a Partner

Walter F Thielemann
WALTER F. THIELEMANN, a Partner

ACKNOWLEDGEMENT

The State of Texas }
}
County of Washington }

This instrument was acknowledged before me on this 25th day of May, 1998 by STEGENT & THIELEMANN PLUMBING, a Partnership composed of DAVID STEGENT and WALTER F. THIELEMANN.

PAM MUEGGE
NOTARY PUBLIC
STATE OF TEXAS
My Comm. Exp. 5-24-99

Pam Muegge
Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 23 1998

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

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUN 22 PM 12 42
Beth A. Rothermel
WASHINGTON CO. CLERK

Index of Assignments for Market Street (Bus 290)
Application Letter dated August 14, 2000
Chesapeake Exploration Limited Partnership
Isaac Unit

1) Assignment from Chesapeake Operating, Inc. to Belco Energy L.P., recorded in Volume 793, Page 228 of the Deed Records of Washington County, Texas.
---Covering Map and Unit Tract: 3

2) Assignment from Chesapeake Operating, Inc. to Belco Energy L.P., recorded in Volume 817, Page 374 of the Deed Records of Washington County, Texas.
---Covering Map and Unit Tract: 9

3) Assignment from Chesapeake Operating, Inc. to Belco Energy L.P., recorded in Volume 948, Page 579 of the Deed Records of Washington County, Texas.
--Covering Map and Unit Tracts: 11,12, 27

4) Assignment from Chesapeake Operating, Inc. to Union Pacific Resources Company, recorded in Volume 949, Page 859 of the Deed Records of Washington County, Texas.
--Covering Map and Unit Tracts: 11,12, 27

5) Assignment from Chesapeake Operating, Inc. to Belco Energy L.P., recorded in Volume 951, Page 500 of the Deed Records of Washington County, Texas.
---Covering Map and Unit Tract: 13, 28, 29, 40

6) Assignment from Chesapeake Operating, Inc. to Union Pacific Resources Company, recorded in Volume 952, Page 576 of the Deed Records of Washington County, Texas.
--Covering Map and Unit Tracts: 13,28,29,40

7) Assignment from Chesapeake Operating, Inc. to Belco Energy L.P., recorded in Volume 946, Page 287 of the Deed Records of Washington County, Texas.
--Covering Map and Unit Tracts: 21, 30

8) Assignment from Chesapeake Operating, Inc. to Union Pacific Resources Company, recorded in Volume 949, Page 863 of the Deed Records of Washington County, Texas.
--Covering Map and Unit Tracts: 21,30

ASSIGNMENT OF OIL AND GAS LEASES
GREATER GIDDINGS PROSPECT

6230

STATE OF TEXAS)
) SS:
COUNTY OF WASHINGTON)

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

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby bargains, sells, conveys, assigns, and delivers unto BELCO ENERGY L.P., a Delaware limited partnership (the "ASSIGNEE"), having a mailing address at 767 Fifth Avenue, 46th Floor, New York, New York 10153, an undivided forty-five percent (45%) interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise, subject to the overriding royalty interest reserved and retained by the ASSIGNOR as described below. To the extent ASSIGNOR owns less than one hundred percent (100%) interest in any of the Leases, the interest assigned hereunder in such Lease(s) shall be proportionately reduced to the interest owned by ASSIGNOR.

This Assignment is made subject to: (a) that certain Sale and Area of Mutual Interest Agreement dated December 30, 1994, between the ASSIGNOR and the ASSIGNEE; and (b) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE's pro rata portion of such burdens.

ASSIGNOR reserves and retains from this Assignment an overriding royalty interest in each of the Leases equal to the lesser of (i) two and one-half percent (2.5%) or (ii) the positive difference between ASSIGNOR's net revenue interest in the Leases and eighty and one-half percent (80.5%).

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

IN WITNESS WHEREOF, this instrument is dated the 30th day of May, 1995, but effective the 30th day of November, 1994.

CHESAPEAKE OPERATING, INC.

By: _____
Aubrey K. McClendon, President

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 2nd day of June, 1995, personally appeared Aubrey K. McClendon, President of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

_____
Notary Public

f:\marilyn\gid-wl.asg
November 30, 1994 Submittal

My Commission Expires 8-3-95

County, Texas, as referenced in said lease.

LEASE NO.: T94-1899
LESSOR: Sharon K. Davis, a single person
LESSEE: Chesapeake Operating, Inc.
DATE: October 18, 1994
RECORDED: 760/564
DESCRIPTION: Being 42.19 acres out of the David Lawrence Survey, A-75, Washington County, Texas, as referenced in said lease.

LEASE NO.: T94-1966
LESSOR: Gerald Mack Davis, Individually and as Attorney-In-Fact for Rena Osborn Davis, a widow
LESSEE: Chesapeake Operating, Inc.
DATE: October 19, 1994
RECORDED: 760/523
DESCRIPTION: Being 114.65 acres out of the D. Lawrence Survey, A-75, Washington County, Texas, as referenced in said lease.

LEASE NO.: T94-1967
LESSOR: Sharon K. Davis, a single person
LESSEE: Chesapeake Operating, Inc.
DATE: October 19, 1994
RECORDED: 760/520
DESCRIPTION: Being 114.65 acres out of the D. Lawrence Survey, A-75, Washington County, Texas, as referenced in said lease.

LEASE NO.: T94-1968
LESSOR: Lynna Berry, a married person dealing in her seperate property
LESSEE: Chesapeake Operating, Inc.
DATE: October 19, 1994
RECORDED: 760/526
DESCRIPTION: Being 114.65 acres out of the D. Lawrence Survey, A-75, Washington County, Texas, as referenced in said lease.

LEASE NO. T94-2148
LESSOR: Dorothy E. Pohlmeyer and husband, Melvin Pohlmeyer
LESSEE: Chesapeake Operating, Inc.
DATE: November 1, 1994
RECORDED: 762/34
DESCRIPTION: 100.74 acres of land, more or less, being parts of the Hiram Lee Survey A-76 and the John Long Survey A-156 , Washington County, Texas, as referenced in said lease.

LEASE NO. T94-2063
LESSOR: F. W. Beckendorf, a widower, represented by John Beckendorf, power of attorney
LESSEE: Chesapeake Operating, Inc.
DATE: November 2, 1994
RECORDED: 761/461
DESCRIPTION: Being 100.89 acres of land, more or less, being part of the HIRAM LEE SURVEY A-76 and the ISAAC LEE SURVEY A-77, Washington County, Texas, as referenced in said lease.

LEASE NO.: T94-2135
LESSOR: Alice Kolwes, a widow
LESSEE: Chesapeake Operating, Inc.
DATE: November 3, 1994

LEASE NO.:	T94-2287
LESSOR:	Raymond Charles Werth, as his own and separate property
LESSEE:	Chesapeake Operating, Inc.
DATE:	October 6, 1994
RECORDED:	764/168
DESCRIPTION:	Being 93.45 acres of land, more or less, being located in the Sanford Woodward Survey A-112, Washington Co., Texas, as referenced in said lease.

LEASE NO.:	T94-2099
LESSOR:	Raymond J. Werth and wife Louise K. Werth
LESSEE:	Chesapeake Operating, Inc.
DATE:	October 5, 1994
RECORDED:	758/897
DESCRIPTION:	222.15 acres, more or less, situated in the Sandford Woodward League A-112, Washington Co., Texas, as referenced in said lease.

FILED
AT 12:25 P M.
AUG - 8 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 0 9 1995

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

ASSIGNMENT OF OIL AND GAS LEASES
GREATER GIDDINGS PROSPECT

0110

L 31831

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

WHEREAS, **CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP**, an Oklahoma Limited Partnership, having a mailing address of Post Office Box 18496, Oklahoma City, Oklahoma 73154 (the "ASSIGNOR"), is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof (the "Leases");

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASSIGNOR does hereby grant, bargain, sell, convey, assign, and deliver unto **BELCO ENERGY I L.P.**, a Delaware limited partnership (the "ASSIGNEE"), having a mailing address of 5735 Pineland Drive, Suite 300, Dallas, Texas 75231, an undivided 37.2195% interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise, subject to the overriding royalty interest reserved and retained by the ASSIGNOR as described below.

This Assignment is made subject to: (a) that certain Sale and Area of Mutual Interest Agreement dated December 30, 1994, as amended by: that certain amendatory letter agreement dated June 5, 1995, that certain amendatory letter agreement dated August 6, 1997, that certain Amendment dated effective January 1, 1998, that certain amendatory letter agreement dated December 4, 1998, but effective June 1, 1997, and that certain Amendment dated effective May 31, 1999, between the ASSIGNOR and the ASSIGNEE; (b) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (c) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE'S pro rata portion of such burdens.

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

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

IN WITNESS WHEREOF, this instrument is dated the 29th day of December, 1999, but is effective as of the 20th day of December, 1999.

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

Chesapeake Exploration Limited Partnership

By: Chesapeake Operating, Inc., General Partner

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

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

L 31831

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 22th day of December, 1999, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

Pamela S. Brown
Notary Public

NOTARY PUBLIC SEAL
PAMELA S. BROWN
My commission expires Jan 11, 2002

My Commission Expires:
1-11-02

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VOL 0948 PAGE 581

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT
OF OIL AND GAS LEASES BETWEEN CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AS ASSIGNOR,
AND BELCO ENERGY I L.P., AS ASSIGNEE, EFFECTIVE DECEMBER 20, 1999

L 31831

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1671602-000	Buchalla, B.A./Doris J.	Chesapeake Exploration Limited Partnership	10/15/99		0.9250	John Carrington A-120	Washington
TX1671604-001	Davidson, Donald G./Patricia S.	Chesapeake Exploration Limited Partnership	10/12/99	945/227	19.2060	Nelson Smith A-100 James Schrier A-98	Washington
TX1671616-001	Moeller, Waldo E. (individually and as Trustee of the Jeanette H. Moeller Testamentary Family Trust)	Chesapeake Exploration Limited Partnership	11/09/99		101.1560	Nelson Smith A-100	Washington
TX1671616-002	Moeller, Weldon Earl	Chesapeake Exploration Limited Partnership	11/09/99		40.2330	Nelson Smith A-100	Washington
	Randle, Felix (Jr.)	Charlie Hudson & Associates, Inc.	11/19/98	914/356	53.7500	Nelson Smith A-100	Washington
TX1671608-000	Addicks, Emma	Chesapeake Exploration Limited Partnership	11/02/99		0.6400	John Long A-156	Washington
TX1671615-000	De'Olive, Ruby (a/k/a Ruby D'Olive)	Chesapeake Exploration Limited Partnership	10/25/99		4.1660	John Long A-156	Washington
TX1671613-000	Draehn, Elwood C./Deloris A.	Chesapeake Exploration Limited Partnership	11/04/99	945/485	0.2500	John Long A-156	Washington
TX1671609-000	Edwards, Margaret S.	Chesapeake Exploration Limited Partnership	10/28/99		1.1000	John Long A-156	Washington
TX1671607-000	Hodde, Jon/Teresa	Chesapeake Exploration Limited Partnership	11/04/99	945/500	0.3800	John Long A-156	Washington
TX1671612-000	Kestenbaum, Dana I./Beatrice	Chesapeake Exploration Limited Partnership	10/27/99		1.7700	John Long A-156	Washington
TX1671610-001	Kitowski, Dorothy Marie	Chesapeake Exploration Limited Partnership	10/01/99	945/197	2.5000	John Long A-156	Washington
TX1671610-002	Kitowski, Vincent P. (Doris Pickens Kitowski, attorney-in-fact)	Chesapeake Exploration Limited Partnership	10/01/99	945/191	2.5000	John Long A-156	Washington
TX1671601-001	McCoy Realty Corporation	Chesapeake Exploration Limited Partnership	10/18/99	944/687	3.2900	John Long A-156	Washington
TX1671603-001	Michaud, Dorothy G. Stringer/Eugene J.	Chesapeake Exploration Limited Partnership	10/20/99		13.2800	John Long A-156 M.N. Combs A-124	Washington

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BELCO
12/28/99

L 31831

EXHIBIT "A"

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1671598-002	Michaud, Dorothy G. Stringer/Eugene J.	Chesapeake Exploration Limited Partnership	10/01/99	944/125	19.8111	John Long A-156	Washington
TX1671605-000	Sander, Pauline T.	Chesapeake Exploration Limited Partnership	10/21/99	944/703	0.3600	John Long A-156	Washington
TX1671606-000	Sander, Raymond W.	Chesapeake Exploration Limited Partnership	10/29/99		1.6400	John Long A-156	Washington
TX1671603-002	Stringer, Robert D./Judith C.	Chesapeake Exploration Limited Partnership	10/20/99	945/194	13.2800	John Long A-156 M.N. Combs A-124	Washington
TX1671614-000	Thielemann, Arlen/Heather	Chesapeake Exploration Limited Partnership	11/09/99		0.6800	John Long A-156	Washington
TX1671611-000	Webster, Charles J./Irene C.	Chesapeake Exploration Limited Partnership	11/08/99	945/480	0.9240	John Long A-156	Washington

END OF EXHIBIT "A"

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 11 2000

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
00 JAN 10 AM 10:53
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

VOL 0948 PAGE 582

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BELCO
12/28/99

ASSIGNMENT OF OIL AND GAS LEASES

0449

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

L 31906

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

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

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

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

IN WITNESS WHEREOF, this instrument is dated the 14th day of January, 2000, but is effective as of the 27th day of December, 1999.

Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership

By: Chesapeake Operating, Inc., General Partner

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

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 14th day of January, 2000, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

SANDRA L. MATHIS NOTARY PUBLIC IN AND FOR

_____
Notary Public

My Commission Expires:
May 25, 2002

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

L 31906

VOL 0949 PAGE 860

EXHIBIT "A"

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1670405-	Randle, Daniel	Charlie Hudson & Associates, Inc.	11/19/98	914/358	53.7500	Nelson Smith A-100	Washington
TX1671605-000	Sander, Pauline T.	Chesapeake Exploration Limited Partnership	10/21/99	944/703	0.3600	John Long A-156	Washington
TX1671606-000	Sander, Raymond W.	Chesapeake Exploration Limited Partnership	10/29/99	946/290	1.6400	John Long A-156	Washington
TX1671603-002	Stringer, Robert D./Judith C.	Chesapeake Exploration Limited Partnership	10/20/99	945/194	13.2800	John Long A-156 M.N. Combs A-124	Washington
TX1671614-000	Thielemann, Arlen/Heather	Chesapeake Exploration Limited Partnership	11/09/99		0.6800	John Long A-156	Washington
TX1671611-000	Webster, Charles J./Irene C.	Chesapeake Exploration Limited Partnership	11/08/99	945/480	0.9240	John Long A-156	Washington

END OF EXHIBIT "A"

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT
OF OIL AND GAS LEASES BETWEEN CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AS ASSIGNOR,
AND UNION PACIFIC RESOURCES COMPANY, AS ASSIGNEE, EFFECTIVE DECEMBER 27, 1999

L 31906

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1671608-000	Addicks, Emma	Chesapeake Exploration Limited Partnership	11/02/99		0.6400	John Long A-156	Washington
TX1671602-000	Buchalla, B.A./Doris J.	Chesapeake Exploration Limited Partnership	10/15/99	945/217	0.9250	John Carrington A-120	Washington
TX1671604-001	Davidson, Donald G./Patricia S.	Chesapeake Exploration Limited Partnership	10/12/99	945/227	19.2060	Nelson Smith A-100 James Schrier A-98	Washington
TX1671615-000	De'Olive, Ruby (a/k/a Ruby D'Olive)	Chesapeake Exploration Limited Partnership	10/25/99		4.1660	John Long A-156	Washington
TX1671613-000	Draehn, Elwood C./Deloris A.	Chesapeake Exploration Limited Partnership	11/04/99	945/485	0.2500	John Long A-156	Washington
TX1671609-000	Edwards, Margaret S.	Chesapeake Exploration Limited Partnership	10/28/99		1.1000	John Long A-156	Washington
TX1671607-000	Hodde, Jon/Teresa	Chesapeake Exploration Limited Partnership	11/04/99	945/500	0.3800	John Long A-156	Washington
TX1671612-000	Kestenbaum, Dana I./Beatrice	Chesapeake Exploration Limited Partnership	10/27/99	946/346	1.7700	John Long A-156	Washington
TX1671610-001	Kitowski, Dorothy Marie	Chesapeake Exploration Limited Partnership	10/01/99	945/197	2.5000	John Long A-156	Washington
TX1671610-002	Kitowski, Vincent P. (Doris Pickens Kitowski, attorney-in-fact)	Chesapeake Exploration Limited Partnership	10/01/99	945/191	2.5000	John Long A-156	Washington
TX1671601-001	McCoy Realty Corporation	Chesapeake Exploration Limited Partnership	10/18/99	944/687	3.2900	John Long A-156	Washington
TX1671603-001	Michaud, Dorothy G. Stringer/Eugene J.	Chesapeake Exploration Limited Partnership	10/20/99		13.2800	John Long A-156 M.N. Combs A-124	Washington
TX1671598-002	Michaud, Dorothy G. Stringer/Eugene J.	Chesapeake Exploration Limited Partnership	10/01/99	944/125	19.8111	John Long A-156	Washington
TX1671616-001	Moeller, Waldo E. (individually and as Trustee of the Jeanette H. Moeller Testamentary Family Trust)	Chesapeake Exploration Limited Partnership	11/09/99		101.1560	Nelson Smith A-100	Washington
TX1671616-002	Moeller, Weldon Earl	Chesapeake Exploration Limited Partnership	11/09/99		40.2330	Nelson Smith A-100	Washington

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UPRC
01/13/00

VOL 0949 PAGE 861

FILED FOR RECORD
WASHINGTON COUNTY, TX
00 JAN 24 PM 12:02
BETH ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 25 2000

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

113.00 Chesapeake

VOL 817 PAGE 374

ASSIGNMENT OF OIL AND GAS LEASES
GREATER GIDDINGS PROSPECT **1682**

STATE OF TEXAS)
) SS:
COUNTY OF WASHINGTON)

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

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby bargains, sells, conveys, assigns, and delivers unto BELCO ENERGY L.P., a Delaware limited partnership (the "ASSIGNEE"), having a mailing address at 767 Fifth Avenue, 46th Floor, New York, New York 10153, an undivided forty-five percent (45%) interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise, subject to the overriding royalty interest reserved and retained by the ASSIGNOR as described below. To the extent ASSIGNOR owns less than one hundred percent (100%) interest in any of the Leases, the interest assigned hereunder in such Lease(s) shall be proportionately reduced to the interest owned by ASSIGNOR.

This Assignment is made subject to: (a) that certain Sale and Area of Mutual Interest Agreement dated December 30, 1994, between the ASSIGNOR and the ASSIGNEE; and (b) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE's pro rata portion of such burdens.

ASSIGNOR reserves and retains from this Assignment an overriding royalty interest in each of the Leases equal to the lesser of (i) two and one-half percent (2.5%) or (ii) the positive difference between ASSIGNOR's net revenue interest in the Leases and eighty and one-half percent (80.5%).

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

IN WITNESS WHEREOF, this instrument is dated the 28th day of February, 1996, but effective the 30th day of June, 1995.

CHESAPEAKE OPERATING, INC.

By: _____
Aubrey K. McClendon, President

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 5th day of March, 1996, personally appeared Aubrey K. McClendon, President of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

NOTARY PUBLIC SEAL

MARILYN J. LYNCH
Oklahoma County
Notary Public In And For
The State of Oklahoma
My Commission Expires Aug. 20, 1996

_____
Notary Public

f:\m\assign\gid-w8.agg
June 30, 1995 Submittal

DESCRIPTION: 363.158 acres, more or less, out of the I. Lee Survey, A-77, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670106-009
LESSOR: W. E. Whiddon, a married man
LESSEE: Chesapeake Operating, Inc.
DATE: June 22, 1995
RECORDED: 794/244
DESCRIPTION: 17.992 acres, more or less, out of the Hiram Lee Survey, A-76, and the John Carrington Survey, A-120, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670120-000
LESSOR: Clinton Giddings Anderson
LESSEE: Chesapeake Operating, Inc.
DATE: June 30, 1995
RECORDED: 788/147
DESCRIPTION: 200.0 acres, more or less, out of the Hiram Lee Survey, A-76, and the John Carrington Survey, A-120, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670120-000
LESSOR: Gazebo Terrace, Inc.
LESSEE: Chesapeake Operating, Inc.
DATE: June 19, 1995
RECORDED: 796/73
DESCRIPTION: 3.067 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670028-000
LESSOR: Walter F. Thielemann and Laverne Lehrmann, d/b/a T & L Development Co.
LESSEE: Chesapeake Operating, Inc.
DATE: June 16, 1995
RECORDED: 798/723
DESCRIPTION: 54.3 acres, more or less, out of the John Long Survey, A-156, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670305-005
LESSOR: Marion L. Walkoviak and Joyce A. Walkoviak
LESSEE: Chesapeake Operating, Inc.
DATE: June 1, 1995
RECORDED: 795/282
DESCRIPTION: 126.049 acres, more or less, out of the J. Lynch Survey, A-80, M. Byrd Survey A-21, and the W. Gates Survey, A-46, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670305-006
LESSOR: Arnold Roese, aka Arnold A. Roese, aka Bubba Roese and Christie Roese
LESSEE: Chesapeake Operating, Inc.
DATE: June 1, 1995
RECORDED: 791/219
DESCRIPTION: 135.914 acres, more or less, out of the J. Lynch Survey, A-80, M. Byrd Survey A-21, the W. Gates Survey, A-46, and the A. Robinson Survey, A-96, Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670048-001
LESSOR: Ronald W. Luhn and wife, Dorothy Luhn
LESSEE: Chesapeake Operating, Inc.
DATE: June 2, 1995
RECORDED: 792/842
DESCRIPTION: 74.496 acres, more or less, out of the Henry Mattews Survey, A-160, and the Ceasario Carona

LEASE NO:	TX1670043-000
LESSOR:	Marilyn Jolliff
LESSEE:	Chesapeake Operating, Inc.
DATE:	June 12, 1995
RECORDED:	791/138
DESCRIPTION:	85.00 acres, more or less, out of the Sanford Woodward Survey, A-112, Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1670043-001
LESSOR:	Smith A. Mercer, Jr.
LESSEE:	Chesapeake Operating, Inc.
DATE:	June 12, 1995
RECORDED:	791/141
DESCRIPTION:	85.00 acres, more or less, out of the Sanford Woodward Survey, A-112, Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1670043-002
LESSOR:	Thomas N. Mercer
LESSEE:	Chesapeake Operating, Inc.
DATE:	June 12, 1995
RECORDED:	791/163
DESCRIPTION:	85.00 acres, more or less, out of the Sanford Woodward Survey, A-112, Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1670151-000
LESSOR:	Paul Schwenke and wife, Elsie Schwenke
LESSEE:	Chesapeake Operating, Inc.
DATE:	May 11, 1995
RECORDED:	791/663
DESCRIPTION:	99.40 acres, more or less, out of the Sanford Woodward Survey, A-112, Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1670107-000
LESSOR:	Sammy T. Schulze and wife Janet M. Schulze
LESSEE:	Chesapeake Operating, Inc.
DATE:	April 24, 1995
RECORDED:	796/64
DESCRIPTION:	108.895 acres, more or less, out of the Sanford Woodward League, A-112, Washington County, Texas, as referenced in said lease.

FILED
AT 10:20 A M.
MAR 11 1996
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 12 1996

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

ASSIGNMENT OF OIL AND GAS LEASES 0808
GREATER GIDDINGS PROSPECT

L 32299

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

WHEREAS, **CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP**, an Oklahoma Limited Partnership, having a mailing address of Post Office Box 18496, Oklahoma City, Oklahoma 73154 (the "ASSIGNOR"), is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof (the "Leases");

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASSIGNOR does hereby grant, bargain, sell, convey, assign, and deliver unto **BELCO ENERGY I L.P.**, a Delaware Limited Partnership (the "ASSIGNEE"), having a mailing address of 5735 Pineland Drive, Suite 300, Dallas, Texas 75231, an undivided 37.2195% interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise, subject to the overriding royalty interest reserved and retained by the ASSIGNOR as described below.

This Assignment is made subject to: (a) that certain Sale and Area of Mutual Interest Agreement dated December 30, 1994, as amended by: that certain amendatory letter agreement dated June 5, 1995, that certain amendatory letter agreement dated August 6, 1997, that certain Amendment dated effective January 1, 1998, that certain amendatory letter agreement dated December 4, 1998, but effective June 1, 1997, and that certain Amendment dated effective May 31, 1999, between the ASSIGNOR and the ASSIGNEE; (b) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (c) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE'S pro rata portion of such burdens.

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

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

IN WITNESS WHEREOF, this instrument is dated the 4th day of February, 2000, but is effective as of the 28th day of January, 2000.

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

Chesapeake Exploration Limited Partnership

By: Chesapeake Operating, Inc., General Partner

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

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

L 32299

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 4th day of February, 2000, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of Chesapeake Operating, Inc., acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

Pamela S. Brown
Notary Public

My Commission Expires:
1-11-02

NOTARY PUBLIC SEAL

PAMELA S. BROWN
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Jan. 11, 2002.

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VOL 0951 PAGE 502

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT
OF OIL AND GAS LEASES BETWEEN CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AS ASSIGNOR,
AND BELCO ENERGY I L.P., AS ASSIGNEE, EFFECTIVE JANUARY 28, 2000

L 32299

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1670106-013	Lopez, Paulino/Arcelia	Chesapeake Exploration L.P.	11/19/99		11.2320	Hiram Lee, A-76	Washington
TX1671618-000	Southwest Stainless, L.P.	Chesapeake Exploration L.P.	10/01/99	948/594	1.5250	M. N. Combs, A-124	Washington
TX1671616-003	Bishop, Dan R./Judy L.	Chesapeake Exploration L.P.	11/09/99		9.9080	Nelson Smith, A-100	Washington
TX1671629-000	Bice, Sally	Chesapeake Exploration L.P.	12/17/99		0.4900	C. Carmona, A-125	Washington
TX1671634-000	Bill, Stacey A. Strozier	Chesapeake Exploration L.P.	12/22/99		0.1800	C. Carmona, A-125	Washington
TX1671627-000	Brandt, Pamela I.	Chesapeake Exploration L.P.	12/15/99	946/502	0.4350	C. Carmona, A-125	Washington
TX1671632-000	Cagle, Emil/Jean	Chesapeake Exploration L.P.	12/07/99		1.3930	C. Carmona, A-125	Washington
TX1671049-003	Gouldson, C. H.	Chesapeake Exploration L.P.	11/15/99	946/293	53.8500	C. Carmona, A-125	Washington
TX1671626-000	Hahn, Theodore (Testamentary Trust) (Lorene Hahn/Rosemary Knebel, Trustees) Hahn, Lorene (individually) (Rosemary Knebel, attorney-in-fact)	Chesapeake Exploration L.P.	12/12/99	946/500	8.3200	C. Carmona, A-125	Washington
TX1671049-002	Loukas, Arthur/Charlotte	Chesapeake Exploration L.P.	11/15/99	947/797	53.8500	C. Carmona, A-125	Washington
TX1671628-000	Moody, Henry C./Earline S.	Chesapeake Exploration L.P.	12/20/99		0.6800	C. Carmona, A-125	Washington
TX1670312-003	Tiemann, Kenneth D.	Chesapeake Exploration L.P.	12/12/99		1.0030	C. Carmona, A-125	Washington
TX1670312-002	Tiemann, Randy L.	Chesapeake Exploration L.P.	12/12/99		1.0030	C. Carmona, A-125	Washington
TX1671622-000	Bonkowski, Nancy	Chesapeake Exploration L.P.	11/24/99	948/634	0.6800	John Long, A-156	Washington
TX1671623-000	Gardner, J. K. Gardner, Robert W.	Chesapeake Exploration L.P.	10/20/99		1.0000	John Long, A-156	Washington
TX1671621-000	Hollister, Steven I./Donna L.	Chesapeake Exploration L.P.	11/23/99	948/631	1.0690	John Long, A-156	Washington
TX1671610-003	Kenjura, Florence	Chesapeake Exploration L.P.	10/01/99	948/618	2.5000	John Long, A-156	Washington
TX1671620-001	Kestenbaum, Dana I. Kestenbaum, Beatrice	Chesapeake Exploration L.P.	12/09/99		2.0000	John Long, A-156	Washington
TX1671620-000	Kinnison, Ray/Evelyn	Chesapeake Exploration L.P.	11/19/99	948/597	2.0000	John Long, A-156	Washington
TX1671610-005	Kitowski, Kathryn A.	Chesapeake Exploration L.P.	12/10/99	948/621	2.5000	John Long, A-156	Washington
TX1671610-004	Malinowski, Virginia K.	Chesapeake Exploration L.P.	12/10/99	948/612	2.5000	John Long, A-156	Washington
TX1671624-000	Whisnant, John W./Betty	Chesapeake Exploration L.P.	10/01/99	948/600	4.0000	John Long, A-156	Washington

END OF EXHIBIT "A"

FILED FOR RECORD
00 FEB 14 AM 11:07
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

FEB 15 2000

Beth Rothermel, County Clerk
Washington County, Texas

Rel. B80 TR
Chesapeake

ASSIGNMENT OF OIL AND GAS LEASES

1093

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

L 32782

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

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

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

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

IN WITNESS WHEREOF, this instrument is dated the 16th day of February, 2000, but is effective as of the 11th day of February, 2000.

Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership

By: Chesapeake Operating, Inc., General Partner

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

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

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 16th day of February, 2000, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

NOTARY SEAL PUBLIC
PAMELA S. BROWN
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Jan. 11, 2002.

_____
Notary Public

My Commission Expires:
1-11-02

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EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT
OF OIL AND GAS LEASES BETWEEN CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AS ASSIGNOR,
AND UNION PACIFIC RESOURCES COMPANY, AS ASSIGNEE, EFFECTIVE FEBRUARY 11, 2000

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1671629-000	Bice, Sally	Chesapeake Exploration L.P.	12/17/99	File #7174	0.4900	C. Carmona, A-125	Washington
TX1671634-000	Bill, Stacey A. Strozier	Chesapeake Exploration L.P.	12/22/99	File #7328	0.1800	C. Carmona, A-125	Washington
TX1671616-003	Bishop, Dan R./Judy L.	Chesapeake Exploration L.P.	11/09/99	949/296	9.9080	Nelson Smith, A-100	Washington
TX1671622-000	Bonkowski, Nancy	Chesapeake Exploration L.P.	11/24/99	948/634	0.6800	John Long, A-156	Washington
TX1671627-000	Brandt, Pamela I.	Chesapeake Exploration L.P.	12/15/99	946/502	0.4350	C. Carmona, A-125	Washington
TX1671632-000	Cagle, Emil/Jean	Chesapeake Exploration L.P.	12/07/99		1.3930	C. Carmona, A-125	Washington
TX1671623-000	Gardner, J. K. Gardner, Robert W.	Chesapeake Exploration L.P.	10/20/99		1.0000	John Long, A-156	Washington
TX1671049-003	Gouldson, C. H.	Chesapeake Exploration L.P.	11/15/99	946/293	53.8500	C. Carmona, A-125	Washington
TX1671626-000	Hahn, Theodore (Testamentary Trust) (Lorene Hahn/Rosemary Knebel, Trustees)	Chesapeake Exploration L.P.	12/12/99	946/500	8.3200	C. Carmona, A-125	Washington
TX1671621-000	Hollister, Steven I./Donna L.	Chesapeake Exploration L.P.	11/23/99	948/631	1.0690	John Long, A-156	Washington
TX1671610-003	Kenjura, Florence	Chesapeake Exploration L.P.	12/09/99	948/618	2.0000	John Long, A-156	Washington
TX1671620-000	Kinnison, Ray/Evelyn	Chesapeake Exploration L.P.	11/19/99	948/597	2.0000	John Long, A-156	Washington
TX1671610-005	Kitowski, Kathryn A.	Chesapeake Exploration L.P.	12/10/99	948/621	2.5000	John Long, A-156	Washington
TX1670106-013	Lopez, Paulino/Arcelia	Chesapeake Exploration L.P.	11/19/99	949/287	11.2320	Hiram Lee, A-76	Washington
TX1670149-002	Loukas, Arthur/Charlotte	Chesapeake Exploration L.P.	11/15/99	947/797	53.8500	C. Carmona, A-125	Washington
TX1671610-004	Malinowski, Virginia K.	Chesapeake Exploration L.P.	12/10/99	948/612	2.5000	John Long, A-156	Washington
TX1671628-000	Moody, Henry C./Earline S.	Chesapeake Exploration L.P.	12/20/99	File #7175	0.6800	C. Carmona, A-125	Washington
TX1671618-000	Southwest Stainless, L.P.	Chesapeake Exploration L.P.	10/01/99	948/594	1.5250	M. N. Combs, A-124	Washington
TX1670312-003	Tiemann, Kenneth D.	Chesapeake Exploration L.P.	12/12/99	949/299	1.0030	C. Carmona, A-125	Washington
TX1670312-002	Tiemann, Randy L.	Chesapeake Exploration L.P.	12/12/99	949/292	1.0030	C. Carmona, A-125	Washington
TX1671624-000	Whisnant, John W./Betty	Chesapeake Exploration L.P.	10/01/99	948/600	4.0000	John Long, A-156	Washington

END OF EXHIBIT "A"

L 32782

VOL 0952 PAGE 577

VOL. 0952 PAGE 578

FILED FOR RECORD
00 FEB 28 AM 11:54
BETH ROTHERMEL
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

FEB 2 9 2000

Beth O. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

pd 11/00 return Chesapeake

0450

ASSIGNMENT OF OIL AND GAS LEASES

L 31905

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is dated the 11th day of January, 2000, but is effective as of the 27th day of December, 1999.

Chesapeake Exploration Limited Partnership, an Oklahoma Limited Partnership

By: Chesapeake Operating, Inc., General Partner

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

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 13th day of January, 2000, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

NOTARY PUBLIC SEAL
PAMELA S. BROWN
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Jan. 11, 2002

_____ Notary Public

My Commission Expires:
1-11-02

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

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT
OF OIL AND GAS LEASES BETWEEN CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AS ASSIGNOR,
AND UNION PACIFIC RESOURCES COMPANY, AS ASSIGNEE, EFFECTIVE DECEMBEDR 27, 1999

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
TX1671583-001	Frost National Bank, Trustee (f/b/o Anne E. Coleman Barnes, Janis Barnes Collins and Christine Barnes Webb, u/w/o Robbie D. Barnes, deceased, Account A0332800)	Chesapeake Exploration Limited Partnership	09/27/99	946/282	71.7200	John Long A-156	Washington
TX1671585-000	Pieper, Herbert/Hattie	Chesapeake Exploration Limited Partnership	10/15/99	944/130	0.6800	John Long A-156	Washington
TX1671598-001	Stringer, Robert D. (II)/Judith C.	Chesapeake Exploration Limited Partnership	10/01/99	944/106	19.8111	John Long A-156	Washington
TX1671582-000	Scheiner, Koy B.	Chesapeake Exploration Limited Partnership	09/27/99	940/459	2.6800	John Carrington A-120	Washington

END OF EXHIBIT "A"

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 25 2000

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON CO., TX.

00 JAN 24 PM 12:02

BETH A. ROTHERMEL
WASHINGTON CO. CLERK

L 31905

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UPRC
01/13/00

7011

ASSIGNMENT OF OIL AND GAS LEASES
GREATER GIDDINGS PROSPECT

L 31555

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

WHEREAS, **CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP**, an Oklahoma Limited Partnership, having a mailing address of Post Office Box 18496, Oklahoma City, Oklahoma 73154 (the "ASSIGNOR"), is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof (the "Leases");

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASSIGNOR does hereby grant, bargain, sell, convey, assign, and deliver unto **BELCO ENERGY I L.P.**, a Delaware limited partnership (the "ASSIGNEE"), having a mailing address of 5735 Pineland Drive, Suite 300, Dallas, Texas 75231, an undivided 37.2195% interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNORS, but not otherwise, subject to the overriding royalty interest reserved and retained by the ASSIGNORS as described below.

This Assignment is made subject to: (a) that certain Sale and Area of Mutual Interest Agreement dated December 30, 1994, as amended by: that certain amendatory letter agreement dated June 5, 1995, that certain amendatory letter agreement dated August 6, 1997, that certain Amendment dated effective January 1, 1998, that certain amendatory letter agreement dated December 4, 1998, but effective June 1, 1997, and that certain Amendment dated effective May 31, 1999, between the ASSIGNOR and the ASSIGNEE; (b) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (c) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE's pro rata portion of such burdens.

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

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

IN WITNESS WHEREOF, this instrument is dated the 6th day of December, 1999, but is effective as of the 22nd day of November, 1999.

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

Chesapeake Exploration Limited Partnership

By: Chesapeake Operating, Inc., General Partner

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

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

L 31555

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 6th day of December, 1999, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration Limited Partnership**, an Oklahoma Limited Partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

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

Pamela S Brown
Notary Public

My Commission Expires:
1-11-02

NOTARY SEAL PUBLIC
PAMELA S. BROWN
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Jan. 11, 2002.

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EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT
OF OIL AND GAS LEASES BETWEEN CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AS ASSIGNOR,
AND BELCO ENERGY I L.P., AS ASSIGNEE, EFFECTIVE NOVEMBER 22, 1999

L 31555

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED VOLUME/PAGE	GROSS ACRES MORE OR LESS	SURVEY NAME	COUNTY
	Frost National Bank, Trustee (f/b/o Anne E. Coleman Barnes, Janis Barnes Collins and Christine Barnes Webb, u/w/o Robbie D. Barnes, deceased, Account A0332800)	Chesapeake Exploration Limited Partnership	09/27/99		71.7200	John Long A-156	Washington
	Pieper, Herbert/Hattie	Chesapeake Exploration Limited Partnership	10/15/99		0.6800	John Long A-156	Washington
	Stringer, Robert D. (II)/Judith C.	Chesapeake Exploration Limited Partnership	10/01/99		19.8111	John Long A-156	Washington
	Scheiner, Koy B.	Chesapeake Exploration Limited Partnership	09/27/99		2.6800	John Carrington A-120	Washington

END OF EXHIBIT "A"

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 14 1999

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX.
99 DEC 13 PM 1:52
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

VOL 0946 PAGE 289

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BELCO
11/30/99

File No. MF 10280

Leases

Date Filed: 10/7/80

David Dewhurst, Commissioner

By

CHESAPEKE OPERATING, INC
ISAAC UNIT #1-H-ROAD LEASE-MARKET STREET
WASHINGTON CO. TEXAS
John Long Survey, A-156

Tract	Vol./Page	Lessee	Lessor	Date	Gross Acres	Term	Royalty and Assignments
3	762/34 942/293 Ext.	COI	Pohlmeyer, Dorothy E./Melvin	11/1/94	100.74	5 yrs. Ext. 2 yrs. Until 11/01/2001	Royalty--1/6th Assigned to Belco-793/228
7	792/100	UPRC	Herrmann, Reinhold	7/20/95	1.361	3 yrs. Renewal leased signed 7/13/00	Royalty--3/16th
8	790/564 889/609 Ext.	UPRC	Herrmann Print Shop	7/18/95	1.361	3 yrs. Ext. 2 yrs. Until 7/18/2000	Royalty--3/16th
9	798/723 917/753 Ext. 963/330 Amen.	COI	Thielmann, Walter Lehrmann, Laverne	6/16/95	54.3	3 yrs. Ext. 2 yrs Until 6/16/2000 (900/418) Amend./Ext. 2 yrs. Exp. 6/16/2002 (963/330)	Royalty--3/16th Assigned to Belco-817/374
10	790/561 889/828 Ext.	UPRC	Naumann, Malinda/Lonnie	7/11/95	1	3 yrs. Ext. 2 yrs. Until 7/11/2000	Royalty--3/16th
11	945/197	CELP	Katowski, Dorothy Marie	10/1/99	2.5	2 yrs. Exp 10/01/2001	Royalty--1/6th Assigned to Belco-948/579
12	947/812	CELP	Addicks, Emma	11/2/99	0.64	2 yrs. Exp. 11/02/2001	Royalty--1/6th Assigned to Belco-948/579 and to UPRC-949/859
13	948/600	CELP	John W. Whisnant	10/1/99	4	2 yrs. Exp. 10/1/2001	Royalty--1/6th Assigned to Belco-951/500 and to UPRC 949/859
14	800/875 897/199 Ext.	UPRC	Luckmeyer, Odell/Willie Mae	8/11/95	6.0333	3 yrs. Ext. 2 yrs. Until 8/11/2000	Royalty--3/16th
15	807/374 886/142	UPRC	Robert Williams	9/22/95	0.633	3 yrs. Ext 2 years until 9/22/2000	Royalty--3/16th
16	806/488 895/131	UPRC	Richard H. Vestal	9/20/95	1.683	3 yrs. Ext 2 years until 9/20/2000	Royalty--3/16th
17	800/875 897/199 Ext.	UPRC	Luckmeyer, Odell/Willie Mae	8/11/95	6.0333	3 yrs. Ext. 2 yrs. Until 8/11/2000	Royalty--3/16th
18	800/872 897/198 Ext.	UPRC	Luckmeyer Enterprises, Inc.	8/11/95	0.304	3 yrs. Ext. 2 yrs. Until 8/11/2000	Royalty--3/16th
19	800/885 895/466 Memo.	UPRC	Steinbach, Jeanette	9/15/95	0.5	3 yrs. Memo. Of Ext. in 895/466	Royalty--3/16th
20	800/882 895/467 Memo. 895/886 Ratif.	UPRC	Schroeder, Malinda	9/15/95	0.5	3 yrs. Memo. Of Ext. in 895/467	Royalty--3/16th

CHESAPEKE OPERATING, INC
ISAAC UNIT #1-H-ROAD LEASE-MARKET STREET
WASHINGTON CO. TEXAS
John Long Survey, A-156

Tract	Vol./Page	Lessee	Lessor	Date	Gross Acres	Term	Rental
21	944/130	CELP	Pieper, Herbert/Hattie	11/15/99	0.68	2 yrs. Exp. 11/15/2001	Royalty--1/6th Assigned to Belco-946/287 and to UPRC 949/863
22	800/869 886/789 Ext.	UPRC	Hanath, Bennie H./Gloria Ann	8/9/95	0.5	3 yrs. Ext. 2 yr. Until 8/9/2000	Royalty--3/16th
23	800/878 889/610 Ext.	UPRC	Hahn, Theodore (Testamentary Trust v/w 5/19/1994) (Lorene Hahn and Rosemary Knebel, Tr.) Hahn, Lorene	8/11/95	2.8302	3 yrs. Ext. 2 yrs. Until 8/11/2000	Royalty--3/16th
25	796/606 886/791 Ext.	UPRC	Haar, Alton/Barbara	8/22/95	0.5008	3 yrs. Ext. 2 yrs. Until 8/22/2000	Royalty--3/16th
26	793/48 897/279 Ext.	UPRC	Herzog, Allan/Jane	8/1/95	3.78	3 yrs. Ext. 2 yrs. Until 8/1/2000	Royalty--3/16th
27	946/935	CELP	Thielemann, Arlen/Heather	11/9/99	0.68	2 yrs. Exp. 11/09/2001	Royalty--1/6th Assigned to Belco--948/579 and to UPRC-949/859
28	948/634	CELP	Bonkowski, Nancy	11/24/99	0.68	2 yrs. Exp. 11/24/2001	Royalty--1/6th Assigned to Belco--951/500 and to UPRC-952/576
29	951/494	CELP	Gardner, J.K. & Gardner, Robert W.	10/20/99	1	2 yrs. Exp. 10/20/2001	Royalty--1/6th Assigned to Belco--951/500 and to UPRC-952/576
30	946/282 Memo. 949/304 Amen.	CELP	Barnes, Robbie D.	9/27/99	71.72	2 yrs. Exp. 9/27/2001	Royalty--1/6th Assigned to Belco--946/287 and to UPRC--949/863
39	792/118 886/139 Ext.	UPRC	Hodde, Robert	7/22/95	1.00223	3 yrs. Ext. 2 yrs. Until 27/22/2000	Royalty--3/16th
40	948/631	CELP	Hollister, Stephen L./Donna L.	11/23/99	1.069	2 yrs. Exp. 11/23/2001	Royalty--1/6th Assigned to Belco--951/500 and to UPRC-952/576
49	806/491 888/144 Ext.	UPRC	Steve J. Wesneski	9/27/95	1	3 yrs. Exp 9/27/00	Royalty--3/16th
67	793/51 887/758 Memo.	UPRC	Brenham Heating & Air Conditioning Co.	7/28/95	1.28954	3 yrs. Memo. Of Ext. (887/758)	Royalty 3/16th
68	800/888 896/822 Ext.	UPRC	Stegent and Thielemann Plumbing	9/18/95	1.0142	3 yrs. Ext. 2 yrs. Until 9/18/2000	Royalty --3/16th

2.

File No. MF 101380

Interest Ownership

Date Filed: 10/17/02

David Dewhurst, Commissioner

By Sally Rogers

210

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC.
Recorded at 4:35 o'clock P. M. Apr. 1, 1931. By Deputy.

****

RIGHT OF WAY DEED: MATCHETT & THORNHILL TO STATE OF TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, Matchett & Thornhill, of the County of Washington, State of Texas, for and in consideration of the sum of Seventy & 56/100 Dollars, ($70.56) to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas the following described tract or parcel of land situated in the county of Washington State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the Isaac Lee League being part of the tract conveyed to Matchett and Thornhill by F. J. Jozwiak, and recorded in Deed Records of Washington County, Texas, in Vol. 93, on page 34, and described as follows:

Beginning in the center of concrete of Highway No. 20 in the division line between this tract and that of W. R. Ewing's tract lying on the south side of highway. Thence with said line, S. 16½ E. 52 feet to a stake for corner. Thence parallel with, South and 50 feet at right angles to center line of highway, N. 71-3/4 W 2436 feet, to the division line between this tract and that of W. F. Brown, a stake for corner; Thence with said line. N. 16 W. 52 feet, to the center of Highway. Thence with same, S. 71-3/4 E. 2436 feet, to the place of beginning, containing an area of Two and 8/10 (2.8) acres of land, Less one and 68/100 (1.68) acres previously conveyed to the county for road purposes, leaving conveyed by this conveyance, One and 12/100 (1.12) acres of land.

And it is further agreed that the said Matchett & Thornhill in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditements thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby binds our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the ___day of February A. D. 1931.

T. F. Matchett.
Henry S. Thornhill.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared T. F. Matchett, known to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the 14th day of February A. D. 1931.

H. A. Becker. J. P. & Ex. Officio
Notary Public, Washington County,
Texas.

(Seal)

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for Washington County, Texas, on this day personally appeared Henry S. Thornhill, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.
Given under my hand and seal of office, this 14th day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A.M. Mar. 31, 1931. C. B. Thompson CECWC

Recorded at 5 o'clock P. M. Apr. 1, 1931. By _____ Deputy.

****

RIGHT OF WAY DEED: OTTO F. STERN TO STATE OF TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, Otto F. Stern, and wife, Bertha Stern, of the County of Washington, State of Texas, for and in consideration of the sum of Twenty and 70/100 Dollars, ($20.70) to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the Isaac Lee League, being part of a tract of land conveyed to Otto F. Stern by H. F. Kolwes, and recorded in Deed Records of Washington County, Texas, in Vol. 31, page 279, and described as follows:

Beginning in the center of concrete of Highway No. 20, in the West line of the original tract; Thence with said line North 50 feet, to a stake for corner; Thence parallel with, and 50 feet at right angles, North of center line of Highway, with the curve to the left of same, 316 feet to Sterns North line, and the South line of the H. & T. C. Railroad right of way. Thence with same, in an Easterly direction, at 56 feet cross the center of Highway, at 112 feet, a stake in line between this tract and that of railroad, for corner; Thence parallel with, and 50 ft. South from the center of Highway at right angles from same, with all the curves of same, 324 feet to the West line of this tract and the East line of Public road, a stake for corner; Thence with said line, North 50 feet to the place of beginning, containing an area of Seventy-Four one-hundredths (74/100) of an acre, less Forty-four one-hundredths (44/100) of an acre, conveyed to the County for road purposes, leaving conveyed in this conveyance, three tenths (3/10) of an acre.

And it is further agreed that the said Otto F. Stern, and wife, Bertha Stern, in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby binds our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the _____day of _____A. D. 1931.

Otto F. Stern.
Bertha Stern.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a notary Public in and for said County and State, on this day personally appeared Otto F. Stern, known to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 14th day of February A. D. 1931.

Given under my hand and seal of office, this the 14th day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC

Recorded at 5 o'clock P. M. Apr. 9, 1931. By Deputy

****

RIGHT OF WAY DEED: FRANK J. JOZWIAK, ET UX TO STATE OF TEXAS.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, Frank S. Jozwiak and wife, Cecelia Jozwiak, of the County of Washington, State of Texas, for and in consideration of the sum of Fifty Seven 60/100 Dollars to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the John Long Original Survey, being a part of the tract conveyed to Frank J. Jozwiak by Mike Jozwiak, recorded in Deed Records of Washington County, Texas, in Vol. 57, page 44, and described as follows:

Beginning in the center of concrete of Highway No. 20, in the division line between this tract and that of W. R. Ewing, on the East; Thence with said line, N. 16 W. 52 feet to a stake for corner; Thence parallel with, North of, and 50 feet at right angles from the center line of Highway N. 71½ W. 2080 feet, to a stake for corner in division line between this tract and that of H. F. Mohlt company; Thence with said line, S. 5-3/4 W. 52 feet, to the center of Highway; Thence with said line, S. 71½ E. 2080 feet, to the place of beginning, containing an area of Two and 39/100 (2.39) acres of land, Less one and 43/100 (1.43) acres previously conveyed to the County for road purposes, leaving conveyed by this conveyance, Ninety-six one-hundredths (96/100) of an acre of land.

And it is further agreed that the said Frank S. Jozwiak, and wife, Cecelia, Jozwiak, in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby binds our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 19th day of February A. D. 1931.

F. S. Jozwiak.
Cecelia Jozwiak.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Frank J. Jozwiak, known to me (or proved to me on the oath of ___) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office, this the 19th day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Cecelia Jozwiak, wife of Frank J. Jozwiak known to me

to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Cecelia Jozwiak acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 19th day of Feb. A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC

Recorded at 8:30 o'clock A. M. Apr, 10, 1931. By Deputy.

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RIGHT OF WAY DEED: OSCAR HEINEMANN TO STATE OF TEXAS.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That I, Oscar Heineman, of the County of Washington, State of Texas, for and in consideration of the sum of Twenty five Dollars 20/100 to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the Isaac Jameson League, being a part of a tract conveyed to Oscar Heinemann by Margreth Heinemann, and recorded in Deed Records of Washington County, Texas, in Vol. 92, page 113, and described as follows: Beginning in the center of concrete of Highway No. 20 in the division line between this tract and that of Ed. Heinemann. Thence with said line, S. 16 W. 50 feet to a stake for corner. Thence parallel with, and 50 feet at right angles, South from the center line of Highway N. 75 W. 921 feet to a stake for corner in his west line and the East line of a road running to the South. Thence with said line N. 16 E. 50 feet, to the center line of Highway. Thence with said line. S. 75 E. 921 feet, to the place of beginning, containing an area of One and 6/100 (1.06) acres of land, less Sixty four one-hundredths (64/100) pf an acre previously conveyed to the county for road purposes, leaving conveyed by this conveyance, Forty-two one-hundredths (42/100) of an acre.

And it is further agreed that the said Oscar Heineman, in consideration of the benefits above set out, will remove from the property above described, such fences, buildings, and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And I hereby bind my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand this the 4th day of February A. D. 1931.

Oscar Heineman.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Oscar Heineman, known to me (or proved to me on the oath of ___) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

THE STATE OF TEXAS)
COUNTY OF WICHITA) Before me, John Bradley, a Notary Public in and for said county and State, on this day personally appeared Oscar Hinze, known to me (or proved to me on the oath of ___) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the 24 day of February A. D. 1931.

John Bradley. Notary Public, Wichita County, Texas.

(Seal)

THE STATE OF TEXAS)
COUNTY OF WICHITA) Before me, John Bradley, a Notary Public in and for said county and State, on this day personally appeared EmmieHinze, wife of Oscar Hinze, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she the said ____acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.
Given under my hand and seal of office, this the 24 day of February A. D. 1931.

Notary Public, Wichita County, Texas.

No. Seal.

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC

Recorded at 10:47 o'clock A. M. Apr. 10, 1931. By _____ Deputy.

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RIGHT OF WAY DEED: H. F. HOHLT COMPANY, by HERBERT HOHLT, SEC. TO STATE OF TEXAS.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That H. F. Hohlt Company, acting by and thru H. F. Hohlt, President, of the County of Washington, State of Texas, for and in consideration of the sum of Fifteen 84/100 Dollars to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being two tracts of land situated in Washington County, Texas, one out of the Philip Coe league being a part of a tract conveyed H. F. Hohlt Co. by J. W. Gee, recorded in deed records in Vol. 80, page 385, and described as follows: Beginning in the center of concrete of Highway No. 20 in the division line between this tract and that of a 10 acre tract of L Landua, on the West. Thence with said line, N. 7 W. 50 feet, to a stake for corner. Thence parallel with, and North of, and 50 feet at right angles from the center of Highway S 71 E. 219-3/4 feet, to the division line between this tract and that of L. Landua on the east, a stake for corner; Thence with said line, S. 7 E. 50 feet, to the place of beginning, containing an area of one-fourth (1/4) of an acre of land, Less Fifteen one-hundredths (15/100) of an acre previously conveyed to the county for road purposes by J. W. Gee, leaving conveyed by this conveyance, onetenth (1/10) of an acre of land.

The Second Tract being out of the John Long Original survey, being a part of a tract conveyed to H. F. Hohlt Co. by Frank Jozwiak, recorded in Deed Records in Vol. 80, page 386, and described as follows: Beginning in the center concrete of Highway No. 20 in the division line between this tract and that of Mrs. J. R. Simon on the North West. Thence with said line, N. 74½ E. 95 feet, to a stake for corner in said line, which is 50 feet at right angles from the center line of Highway; Thence parallel with, North of, and 50 fet at right angles from the center of Highway S. 71½ E. 258 feet, to a stake for corner in the East line of the 43/100 acre tract, of which this is a part; Thence with this line, S. 5-3/4 W. 52 feet,

to the center of Highway; Thence with said line, N. 71½ W. 258 feet, to the place of beginning containing an area of three-tenths (3/10) of an acre of land, Less Eighteen one-hundredths (18/100) of an acre previously conveyed to the county for road purposes, by said Jozwiak, leaving conveyed by this conveyance, Twelve One-hundredths (12/100) of an acre of land.

And it is further agreed that the said H. F. Hohlt Company, (Herbert Hohlt, Secretary) in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas, and its assigns;

And I hereby binds my heirs, executors and administrators to Forever Warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand this the 18th day of February A. D. 1931.

H. F. HOHLT CO.
By H. F. Hohlt, President.

Attest: Herbert C. Hohlt, Secretary.
(Seal)

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, the undersigned a notary Public in and for said county and State, on this day personally appeared H. F. Hohlt, President of H. F. Hohlt Company, known to me (or proved to me on the oath of ____) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the ___day of February A. D. 1931.

H. A. Krueger. Notary Public,
Wash ington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC

Recorded at 11:46 o'clock A. M. Apr. 10, 1931. By Deputy

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RIGHT OF WAY DEED: J. W. GEE, ET UX TO STATE OF TEXAS.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, J. W. Gee, and wife, Mattie Gee, of the County of Washington, State of Texas, for and in consideration of the sum of Eighty and 64/100 Dollars, ($80.64) to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the Philip Coe League, being recorded in Deed Records of Washington County, Texas, in Vol. 57, page 451, and described as follows: Beginning in the center of concrete of Highway No. 20, in the division line between this tract and that of L. Landua. Thence with said line N. 7½ W. 58 feet to the center line of Highway. Thence with said line N. 73 W. 2395 feet to a stake in the North West line of this tract in the South East line of public road. Thence with said line. S. 81½ W. 107 feet to the center line of Highway. Thence with same, S. 73 E. 2495 ft. to a point opposite his South East corner; Thence N. 7½ W. 58 feet to the place of beginning, containing an area of Two and 81/100 (2.81) acres of land, less One and 69-100 (1.69) acres previously conveyed to the County for road purposes, leaving conveyed in this conveyance, one and 12/100 (1.12) acres of land.

And it is further agreed that the said J. W. Gee, and wife, Mattie Gee, in consideration of the benefits above set out, will remove from the property above described, such fences,

me to be the person whose name is subscribed to the fore oing instrument, and acknowledged to me that he executed the same as the act and deed of the Burton State Bank of Burton, Texas, and as the President thereof, and for the purposes and consideration therein expressed.

GIVEN under my Hand and seal of office this 4th day of March, A. D. 1931.

F. A. Homeyer. N.P. & Ex Officio Notary Public in and for Washington County, Texas.

(Seal)

Filed for record at 1 o'clock P. M. Oct. 20, 1931. C. B. Thompson, CCCWC.

Recorded at 3:15 o'clock P. M. November 2nd, 1931. By [signature] Deputy.

DEED: W. F. BROWN & WIFE TO STATE OF TEXAS)

1/2 Ac

THE STATE OF TEXAS)
:-
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That I, W. F. Brown joined hereby by my wife Minnie Brown of the County of Washington, State of Texas, for and in consideration of the sum of Five Hundred & No/100 ($500.00) Dollars paid and to be paid by Washington County, Texas, as follows: Two Hundred Fifty & No/100 ($250.00) Dollars cash to us in hand paid, the receipt of which is hereby acknowledged and Two Hundred Fifty & No/100 ($250.00) Dollars to be paid on or before January 1, 1932, have Granted, Sold and Conveyed and by these presents do Grant, Sell and Convey unto the State of Texas, all that certain tract of land out of the John Long Survey, in Washington County, Texas, being parts of two tracts of land, one conveyed to W. F. Brown by F. J. Jozwiak by deed recorded in Vol. 83 page 10, Deed Records of Washington County, Texas, and the other conveyed by Mrs. J. R. Simon to W. F. Brown by deed recorded in Vol. 83, page 11, Deed Records of Washington County, Texas, and described as follows:

Beginning in the center of concrete of Highway No. 20, in the division line between the tract purchased by said Brown from Jozwiak, and that of the tract now owned by Matchett & Thornhill on the East of said tract. Thence with said line S15 E 52 feet to the stake for corner for this beginning corner for this survey. Thence parallel with, South west of, and 50 feet at right angles from the center of the concrete of Highway No. 20 N 71-3/4 W 232 feet to the division line between this tract and the lot of Will Kolwes, a stake for corner. Thence with said line N 15 E 20.8 feet to a stake for corner same being in the boundary line of the present Highway No. 20. Thence with the present boundary line of Highway No. 20 S 71-3/4 E 232 feet to a stake for corner in the division line of this tract and the Matchett & Thornhill tract on the East. Thence with said line S 15 E 20.8 feet to the place of beginning.

It is further agreed that the said W. F. Brown and Minnie Brown shall have possession of said premises until January 1, 1932, and shall have the privilege at their own cost and expense of removing any improvements now upon said premises should they wish to do so.

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

But it is expressly agreed and stipulated that the Vendor's Lien is retained against the above described property, premises and improvements, until the above described indebtedness is fully paid when this deed shall become absolute.

Witness our hands this the 16th day of September, A. D. 1931.

W. F. Brown.
Minnie Brown.

THE STATE OF TEXAS)
:-
COUNTY OF WASHINGTON) Before me, the undersigned authority, on this day personally appeared W. F. Brown and Minnie Brown, his wife, both known to me to be the persons whose names are subscribed

to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed. And the said Minnie Brown, wife of the said W. T. Brown, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Minnie Brown acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this 16th day of September, A. D. 1931.

Marie Bigand. Notary Public in and for Washington County, Texas.

(Seal)

Filed for record at 1 o'clock P. M. Oct. 20, 1931. C. B. Thompson, CCCWC.

Recorded at 3:35 o'clock P. M. November 2nd, 1931. By [signature] Deputy.

DEED: EDGAR R. MATCHETT & WIFE TO WALTER TURNER.

THE STATE OF TEXAS)
:-
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That I, Edgar R. Matchett, joined herein by my wife Lorena Matchett, of the County of Washington and State of Texas, for and in consideration of the sum of Three Hundred Fifteen & No/100 ($315.00) Dollars, cash to me in hand paid by Walter Turner, the receipt of which is hereby acknowledged and confessed, have Granted, Sold, and Conveyed, and by these presents do Grant, Sell and Convey unto the said Walter Turner, of the County of Washington and State of Texas, all that certain lot or parcel of land, lying and being situated in Brenham, Washington County, Texas, to-wit:

A part of the Arabella Harrington League, in Washington County, Texas, southeast from the Court House in Brenham, a part of the Harrington Homestead, Beginning at a stake which is N 15 W 282 vrs from the S W cor of the 29 acre tract conveyed by Wm. Dever to M. A. Kingstand of which this is a part. Thence N 15 W 144 ft to a stake. Thence N 75 E 302 ft to a stake. Thence S 15 E 144 ft. to a large cedar post for S E corner. Thence S 75 W 302 ft to place of beginning, containing one acre.

The above described tract of land is the second tract in a deed from Alice Wilson and husband to Hugh Carmack Jr dated March 29th, 1930 recorded in Volume 103, pg.7, Deed Records of Washington County, Texas, to which reference is here had and made; however the said property was originally owned by Hugh Carmack Sr. the Grandfather of Hugh Carmack Jr, and the said Hugh Carmack Jr was the sole and only heir at law of said Hugh Carmack Sr. Deceased.

Being the same land described in deed from Hugh Carmack Jr to Edgar R. Marchett, recorded in Volume 104, page 539, Deed Records of Washington County, Texas.

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

WITNESS our hands at Brenham, Texas, this the 19th day of October, A. D. 1931.

Lorena Matchett.
Edgar R. Matchett.

THE STATE OF TEXAS)
:-
COUNTY OF WASHINGTON) Before me, the undersigned authority, on this day personally appeared Edgar R. Matchett and Lorena Matchett, his wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and the said Edgar R. Matchett acknowledged to me that he executed the same for the purposes and consideration therein expressed. And the said Lorena Matchett, wife of the said Edgar R. Matchett, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Lorena Matchett, acknowl-

of Washington, State of Texas, for and in consideration of the sum of One Hundred Twenty three and 12/100 ($123.12) to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being two tracts of land situated in Washington County, Texas, out of the Isaac Lee League, being parts of those tracts conveyed to W. R. Ewing, by ____, and recorded in Vol. ___ page ___and by _____and recorded in Vol. ___page ___, and described as follows:

Beginning in the center of concrete of highway No. 20, in the division line between this tract and that of C. H. Sander on the South East. Thence with said line, East 60 feet, to a stake for corner. Thence parallel with and South East of, and 50 feet at right angles from the center of highway. N. 71 3/4 W. 1672 feet, to the division line between this tract and that of F. J. Jozwiak, a stake for corner; Thence with said line, S. 16½ E. at 52 ft. cross the center of Highway, at 104 f et, a stake for corner. Thence parallel with, South West of, and 50 feet at right angles from the center of Highway S. 71 3/4 E. 1633 feet, to the division line between this tract and that of C. H. Sander on the south east. Thence with said line, East 60 Feet, to the place of beginning, containing an area of Three and 8/10 (3.8) acres of land, less two and 28/100 (2.28) acres previously conveyed to the county for road purposes, leaving conveyed by this conveyance, one and 52/100 (1.52) acres of land.

And it is further agreed that the said W. R. Ewing, in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments, thereunto in anywise belonging unto the said State of Texas, and its assigns;

And I hereby binds my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against ever y person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand this the 14 day of February A. D. 1931.

W. R. Ewing.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared W. R. Ewing, known to me (or proved to me on the oath of ____) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office, this the 14th day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931, C. B. Thompson CCCWC

Recorded at 4:15 o'clock P. M. Apr. 10, 1931. By Deputy.

****

RIGHT OF WAY DEED: C. R. EVERSBERG ET UX TO STATE OF TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, C. R. Eversberg, and wife, Alma Eversberg, of the County of Washington, State of Texas, for and in consideration of the sum of Thirty Dollars ($30.00) to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is her by acknowledged and confessed, have Granted, Sold

and Conveyed and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

n Being a tract of land situated in Washington County, Texas, out of the John Long league being conveyed by Mrs. J. R. Simon and recorded in Deed Records in Vol. 98, page120, and described as follows:

Beginning in the center of concrete of highway No. 20, in the division line between this tract and that of Mrs. J. R. Simon on the East, of which this tract is a part. Thence with said line N. 18 E. 50 feet, to a stake for corner. Thence parallel with , and North of, and 50 feet at right angles from the center of highway, N. 72 W. 208-3/4 feet, to the West line of Eversbergs tract and the East line of the Simon tract. Thence with said line S. 18 W. 50 feet to the center of highway. Thence with the center of highway S. 72 E. 208-3/4 feet, to the place of beginning, containing an area of twenty-four one-hundredths (24/100) of an acre of land, less fourteen one-hundredths (14/100) of an acre previously conveyed to the county for road purposes, leaving conveyed by this conveyance, One-tenth (1/10) of an acre of land.

And it is further agreed that the said C. R. Eversberg, and wife, Alma Eversberg, in consideration of the benefits above set out, will remove from the property above described such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and hereditaments thereunto in anywise belonging unto the said State of Texas, and its assigns;

And we hereby binds our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the ___day of February A. D. 1931.

C. R. Eversberg.
Alma Eversberg.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, C. B. Thompson, Co. Clerk, in and for said county and State on this day personally appeared C. R. Eversberg, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 17 day of Feby. A. D. 1931.

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

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, C. B. Thompson, Co. Clerk, in and for said county and State, on this day personally appeared Alma Eversberg, wife of C. R. Eversberg, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she the said Alma Eversberg, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 17th day of February A. D. 1931.

C. B. Thompson. Co. Clerk, Washington County, Texas.
(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC
Recorded at 4:25 o'clock P. M. Apr. 10, 1931. By Deputy.

****

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Bertha Stern, wife of Otto F. Stern, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husbandand having the same fully explained to her, she, the said Bertha Stern, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 14th day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCMC

Recorded at 10:10 o'clock A. M. Apr. 6, 1931. By [signature] Deputy.

****** ********************

RIGHT OF WAY:DEED: MRS. J. R. SIMON TO STATE OF TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That I, Mrs. J. R. Simon, a widow, of the County of Washington, State of Texas, for and in consideration of the sum of One Hundred Six and 80/100 Dollars, ($106.80) to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the John Long League, being part of a tract of land conveyed to A. Simon, Deceased, husband of Mrs. J. R. Simon by _____and described as follows:

Beginning in the center of concrete of Highway No. 20 in the division line between this tract and that of F. J. Jozwiak on the East. Thence with said line, N. 69 E. 76 feet, to a stake for corner; Thence parallel with, and North of, and 50 feet at right angles from the center of Highway, N. 72 W. at 110 feet, cross the East line of a one acre tract of C. R. Eversberg, at 318-3/4 feet, cross the west line of said lot, at 1284 feet, the East line of L. Landua' lot, at 1390 feet, the west line of Landua, at 2367 feet, the west line of this tract and the east line of old road, a stake for corner; thence with this line, S. 15 E. 50 feet, cross the center of highway, at 100 feet, a stake for corner; Thence parallel with, North of, and 50 feet at right angles from the center of Highway, S. 72 E. 1908 feet, to the division line between this tract and that of Will Kolwes on the East, a stake for corner; Thence with said line N. 15 W. 50 feet, to the center of Highway. Thence with same, S. 72 E. 349 feet, to the place of beginning, containing an area of four and 83/100 (4.83) acres of land, less Two and 9/10 (2.9) acres previously conveyed to the County for road purposes, and one-tenth ofan acre included in C. R. Eversberg's one acre tract, and Five one-hundredths (5/100) of an acre included in L. Landua's tract, leaving conveyed by this conveyance, one and 78/100 (1.78) acres of land.

And it is further agreed that the said Mrs. J. R. Simon, widow, in consideration of the benefits, above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described property, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its

assigns;

And I hereby binds my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 17 day of Feb. A. D. 1931.

Julia R. Simon. Widow.
By Sam Rubenstein, Atty. in Fact.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, the undersigned authority on this day personally appeared Sam Rubenstein, known to me to be the person whose name is subscribed to the foregoing instrument, as the attorney in fact of Julia R. Simon, a widow, and acknowledged to me that he subscribed the name of Julia R. Simon thereto as principal and his own name as attorney in fact, and executed the same for the purposes and consideration therein expressed, and in the capacity therein set forth.

Given under my hand and seal of office, this the 17th day of February 1931.

(Seal)

Clarence Stuckert. Notary Public, in and for Washington County, Texas.

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCMC

Recorded at 10:45 o'clock A. M. Apr. 6, 1931. By [signature] Deputy.

***

to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Mrs. Corrie L. Morriss, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 7 day of March, A. D. 1931.

Alice Knoop. Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC

Recorded at 8:30 o'clock A. M. Apr. 9, 1931. By Deputy.

********** *** **********

RIGHT OF WAY DEED: WILL KOLWES ET UX TO STATE OF TEXAS.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, Will Kolwes of the County of Washington, State of Texas, for and in consideration of the sum of One and 43/100 Dollars, ($1.43) to us in hand paid by the State of Texas, acting through the State Highway Commission receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the County of Washington, State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the John Long League being a part of a tract of land conveyed by Mrs. J. R.Simon to Will Kolwes, and recorded in Deed Records in Vol. 83 page 18 and described as follows:

Beginning in the center of concrete of highway No. 20 in the division line between this tract and that of W. F. Brown on the East. Thence with that line S. 15 E. 50 feet to a stake for corner; Thence parallel with South of, and 50 feet at right angles from the center of highway N. 72 W. 58 feet, to the division line between this tract and that of Mrs. J. R. Simon on the West, a stake for corner; Thence with said line, N. 15 W. 50 feet, to the center of highway. Thence with same, S. 72 E. 58 feet, to the place of beginning, containing an area of Seven one-hundredths (7/100) of an acre of land, less Forty-two one-thousandths (42/1000) of an acre previously conveyed to the county for road purposes, leaving conveyed by this conveyance, Twenty-eight-one-thousandths (28/1000) of an acre of land.

And it is further agreed that the said Will Kolwes in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby binds our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the ___day of February A. D. 1931.

Will Kolwes.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, C. B. Thompson, County Clerk in and for said county and State, on this day personally appeared Will Kolwes, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 21 day of Feby. A. D. 1931.

240

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

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC

Recorded at 4:20 o'clock P. M. Apr. 9, 1931. By A. T. Ruetz Deputy.

****

RIGHT OF WAY DEED: STANLEY KASPROWIECZ TO STATE OF TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, Stanley Kasprowiecz, and wife Teodozja Kasprowiecz, of the County of Washington, State of Texas, for and in consideration of the sum of Forty Two 75/100 to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the I. Lee League, being part of the tract of Stanley Kasprowiecz recorded in Deed Records of Washington County, Texas, in Vol. 74, page 90, and described as follows: Beginning in the center of concrete of Highway No. 20, in the division line between this tract and that of the John Rial Estate. Thence with said line, N. 10 W. 51 feet, to a stake for corner. Thence parallel with, and 50 feet at right angles, North of the center of concrete, with curve to the right, 1604 feet, to a stake in the division line between this tract and that of William Wrobleski. Thence with said line S. 10 E. 51 feet, to the center of Highway. Thence with same, with the curve of same, to N. 86½ W. 1604 feet, to the place of beginning, containing an area of One and 84/100 (1.84) acres of land, less one and 43/100 (1.43) acres previously conveyed to county for road purposes, leaving conveyed in this conveyance, Nine-five one-hundredths (95/100) of an acre.

And it is further agreed that the said Stanley Kasprowiecz, and wife, Teodozja Kasprowiecz in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas, and its assigns:

And we hereby bind our heirs, executors and adminstrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person who whosoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the __day of _____A. D. 1931.

Stanley Kasprowiecz.
Teodozja Kasprowiecz.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said County and State, on this day personally appeared Stanley Kasprowiecz, known to me (or proved to me on the oath of ____) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office, this the 6th day of February A. D. 1931.

H. A. Becker. J.P. & Ex Officio Notary Public, Washington County, Texas.

(Seal)

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Teodozja Kasprowiecz, wife of Stanley Kasprowiecz, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her,

ginning, containing an area of One and 3/10 (1.3) acres of land, less Seventy eight one-hundreths (78/100) of an acre, previously conveyed to the County for road purposes, leaving conveyed in this conveyance, Fifty-two-one hundredths (52/100) of an acre .

And it is further agreed that the said L. Landua and wife, Henrietta Landua, in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions asmay be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby bind our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 21st day of February A. D. 1931.

L. Landua.
Henrietta Landua.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared L. Landua, known to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office, this the 21st day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Henrietta Landua, wife of L. Landua, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Henrietta Landua, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she didnot wish to retract it.
Given under my hand and seal of office, this the 21st day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio Notary Public, Washington County, Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC
Recorded at 1:30 o'clock P. M. Apr. 8, 1931. By Deputy.

* **************************

RIGHT OF WAY DEED: L. LANDUA ET UX TO STATE OF TEXAS.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, L. Landua and wife, Henrietta Landua, of the County of Washington, State of Texas, for and in consideration of the sum of Five Dollars to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas the following described tract or parcel of land situated in the county of Washington, State of Texas, being more particularly described as follows:

Being a tract of land situated in Washington County, Texas, out of the John Long League, being part of a tract of land conveyed to him by _____, which was recorded in Deed Records in Vol. ___page ___, and described as follows:

Beginning in the center of concrete on highway No. 20, in the division line between this

tract and that of Mrs. J. R. Simon on the East. Thence with said line, N. 18 E. 50 feet, to a stake for corner. Thence parallel with, North of, and 50 feet at right angles from the center of Highway, N. 72 W. 106 feet, to the division line between this tract and that of Mrs. Simon on the West, a stake for corner. Thence with said line S. 18 W. 50 feet to the center of highway. Thence with said line, S. 72 E. 106 feet, to the place of beginning, containing an area of twelve one-hundredths (12/100) of an acre, less Seven one-hundredths (7/100) of an acre previously conveyed to the county for road purposes, leaving conveyed by this conveyance, five one-hundredths (5/100) of an acre.

We agree not to place additional improvements, buildings, pumps, signs, etc., within 50 feet from the center of the present pavement.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby binds our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 21st day of February A. D. 1931.

L. Landua.
Henrietta Landua.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared L. Landua, known to me (or proved to me on the oath of ___) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the 21st day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio
Notary Public in and for Washington
County, Texas.

(Seal)

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Before me, H. A. Becker, a Notary Public in and for said county and State, on this day personally appeared Henrietta Landua, wife of L. Landua, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Henrietta Landua, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.
Given under my hand and seal of office, this the 21st day of February A. D. 1931.

H. A. Becker. J.P. & Ex. Officio
Notary Public, Washington County,
Texas.

(Seal)

Filed for record at 8 o'clock A. M. Mar. 31, 1931. C. B. Thompson CCCWC
Recorded at 4:15 o'clock P. M. Apr. 8, 1931. By [signature] Deputy.

****

RIGHT OF WAY DEED: LOUIS LOOK ET UX TO STATE OF TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, Louis Look and wife, Lillie Look, of the County of Washington, State of Texas, for and in consideration of the sum of Eighteen and 90/100 Dollars, ($18.90) to us in hand paid by the State of Texas, acting through the State Highway Commission receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and do by these presents Grant, Sell and Convey unto the State of Texas, the following described tract or parcel of land situated in the county of Washington, State

3.

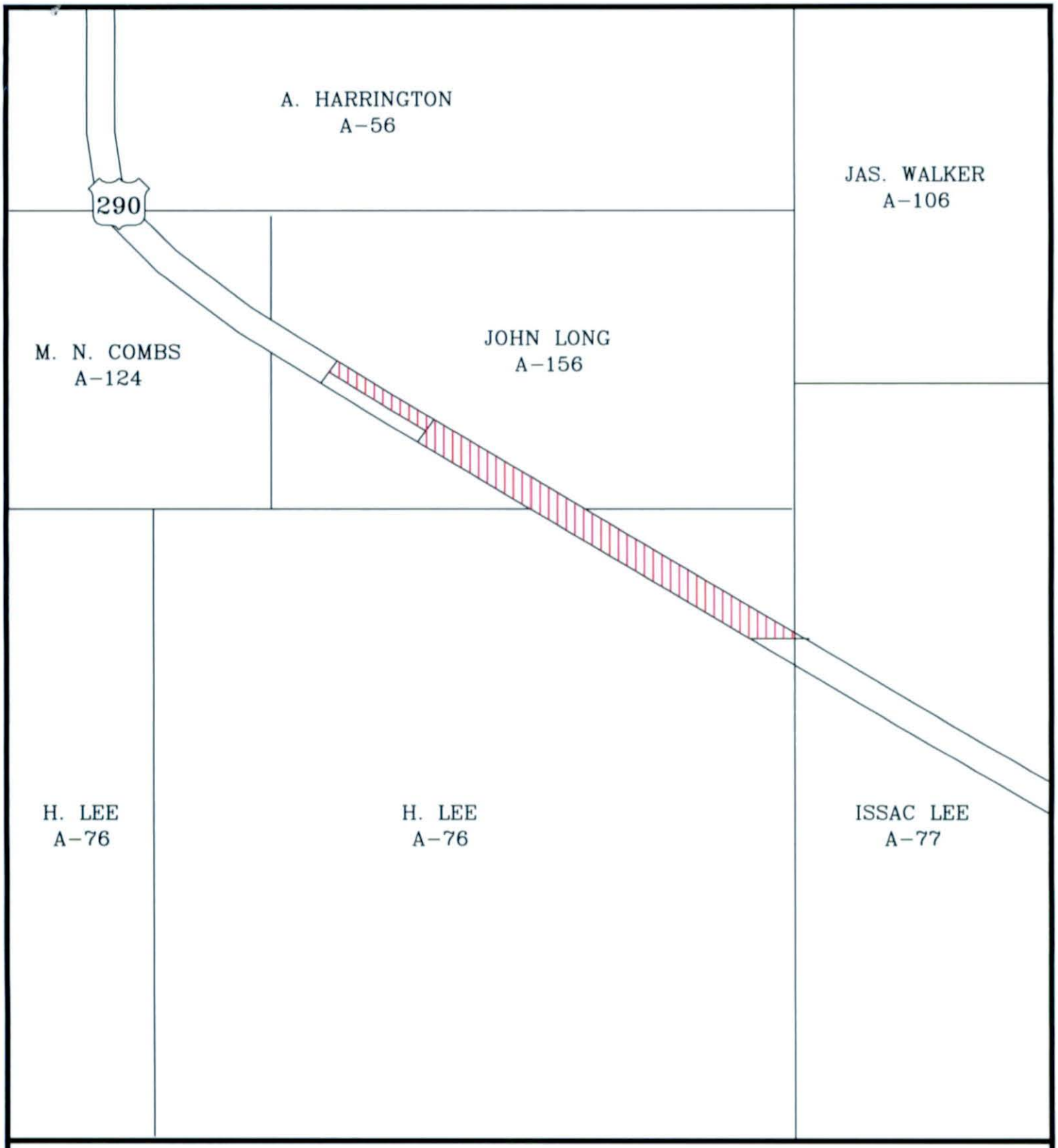
File No. MF101280

Deck

Date Filed: 10/17/00

David Dewhurst, Commissioner

By



US 290\ft\11-00

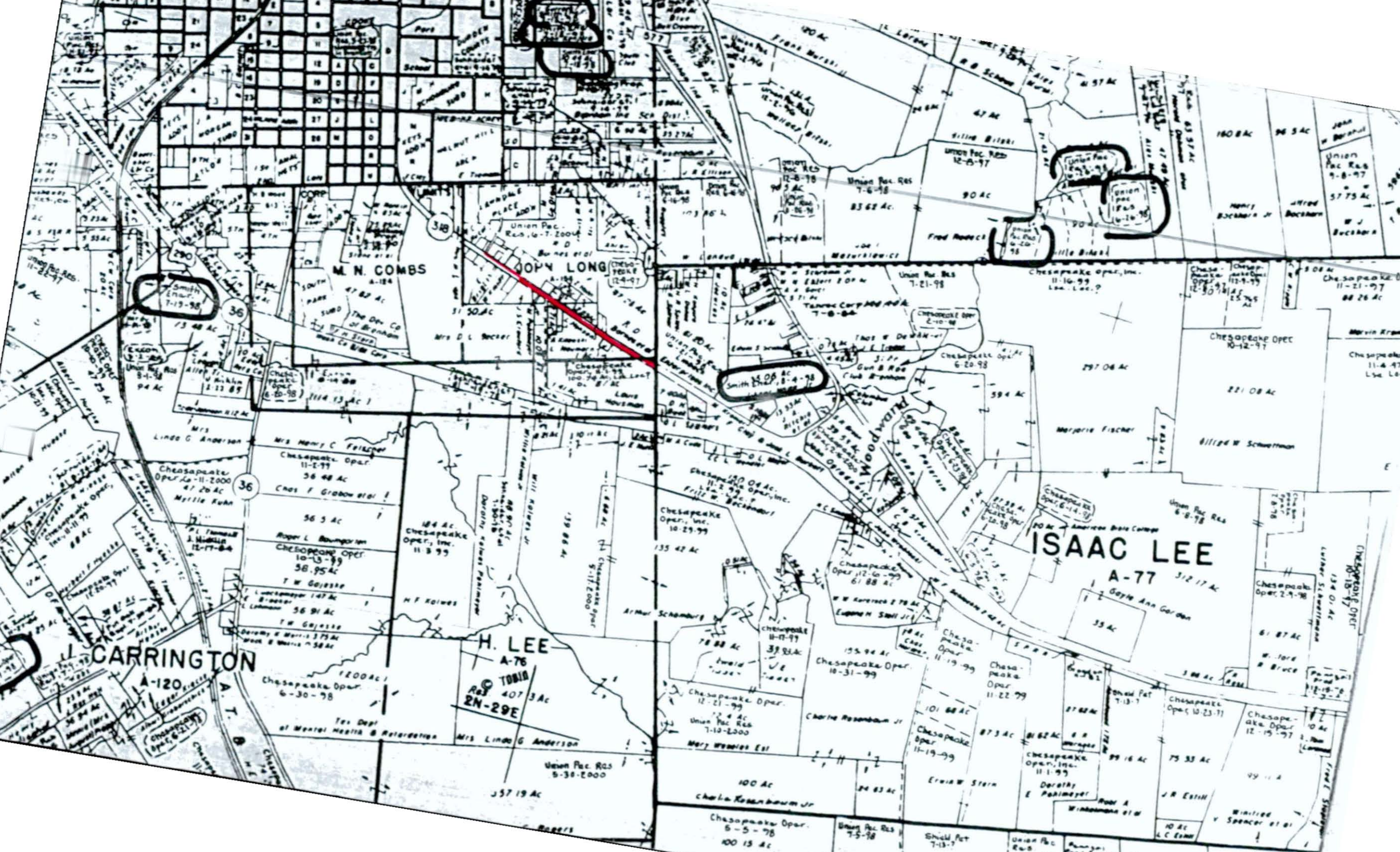
A MAP SHOWING

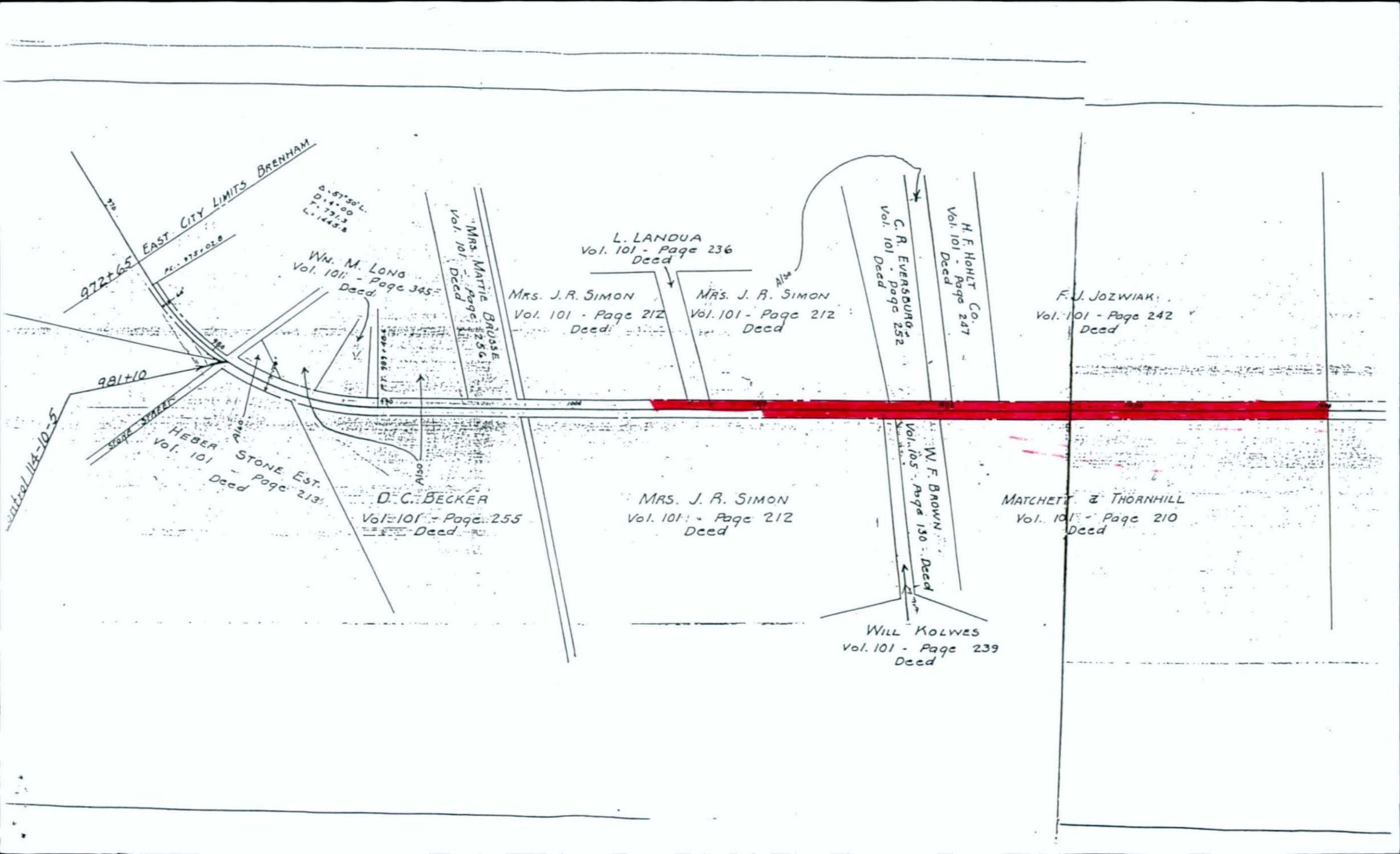
A PORTION OF US HIGHWAY 290 (MARKET STREET)

10.25 ACRES

APPROXIMATELY 1/4 MILE SE OF BRENHAM

WASHINGTON COUNTY


M. N. COMBS
A-124
J. CARRINGTON
A-120
H. LEE
A-76
ISAAC LEE
A-77
Woodward
Union Pac. Res.
Chesapeake Oper.
Smith Enor.
Mrs Linda G Anderson
Mrs Henry C Fulcher
Roger L Baumgarten
Tex Dept of Mental Health & Retardation
Mrs Linda G Anderson
Charlie Rosenbaum Jr
Erwin W Stern
Dorothy E Pohlmeyer
Marjorie Fischer
Gayle Ann Gordon
Union Pac. Res
Shield Pet
Chesapeake Oper, Inc.
American Beale Corp
Fred Rodecker
Henry Buckhorn Jr
Alfred Buckhorn
W J Buckhorn
Marvin Kramer
Luther Schwettmann
Allie Bikel
Fred Rodecker
Mrs D L Becker
Louis Houston
Armor Schomburg
Eugene H Snell Jr
Mary Wemlee Est
Dorothy Holmes Peninger
Mrs Henry C Fulcher
Chas F Grabow et al
Mrs D L Becker
Mrs Linda G Anderson
Union Pac. Res. 6-7-2000
Union Pac. Res. 5-30-2000
Union Pac. Res. 6-16-98
Union Pac. Res. 7-6-98
Union Pac. Res. 7-21-98
Union Pac. Res. 6-8-98
Union Pac. Res. 9-8-97
Union Pac. Res. 12-8-98
Union Pac. Res. 12-8-97
Union Pac. Res. 11-22-97
Union Pac. Res. 7-5-98
Union Pac. Res. 7-7-98
Union Pac. Res. 7-13-7
Union Pac. Res. 7-12-2000
Union Pac. Res. 6-5-98
Union Pac. Res. 6-26-98
Union Pac. Res. 6-16-98
Union Pac. Res. 6-14-98
Union Pac. Res. 6-20-98
Union Pac. Res. 6-30-98
Union Pac. Res. 6-38-2000
Union Pac. Res. 6-7-2000
Union Pac. Res. 6-6-98
Union Pac. Res. 6-5-98
Union Pac. Res. 6-4-98
Union Pac. Res. 6-3-98
Union Pac. Res. 6-2-98
Union Pac. Res. 6-1-98
Union Pac. Res. 5-31-98
Union Pac. Res. 5-30-98
Union Pac. Res. 5-29-98
Union Pac. Res. 5-28-98
Union Pac. Res. 5-27-98
Union Pac. Res. 5-26-98
Union Pac. Res. 5-25-98
Union Pac. Res. 5-24-98
Union Pac. Res. 5-23-98
Union Pac. Res. 5-22-98
Union Pac. Res.


EAST CITY LIMITS BRENHAM
972+65
Wm. M. Long
Vol. 101 - Page 345
Deed
"Mrs. Mattie Brusse
Vol. 101 - Page 256
Deed
L. LANDUA
Vol. 101 - Page 236
Deed
Mrs. J. R. Simon
Vol. 101 - Page 212
Deed
Mrs. J. R. Simon
Vol. 101 - Page 212
Deed
C. R. Everburg
Vol. 101 - Page 252
Deed
H. F. Hohlt Co.
Vol. 101 - Page 247
Deed
F. J. Jozwiak
Vol. 101 - Page 242
Deed
981+10
Heber Stone Est.
Vol. 101 - Page 213
Deed
D. C. Becker
Vol. 101 - Page 255
Deed
Mrs. J. R. Simon
Vol. 101 - Page 212
Deed
W. F. Brown
Vol. 105 - Page 130 - Deed
Matchett & Thornhill
Vol. 101 - Page 210
Deed
Will Kolwes
Vol. 101 - Page 239
Deed

4.

File No. MF 10280

Maps

Date Filed: 10/17/00

David Dewhurst, Commissioner

By

CREW LAND RESEARCH

10533

TEXAS GENERAL LAND OFFICE

10/2/2000

bonus consider

100.00

0108130

121

ATTN: Drew Reid

Checking Nomination Fees 100.00

CREW LAND RESEARCH

10533

TEXAS GENERAL LAND OFFICE

10/2/2000

bonus consider

100.00

RECEIVED
00 OCT 16 PM 2:18
ENERGY RESOURCES

Checking Nomination Fees 100.00

10-17-00

5.

File No. MF 101280

Segment

Date Filed: 10/17/00

David Dewhurst, Commissioner

By Sandy Segers

10-25-00

CREW LAND RESEARCH

SWBell.Net

2630 FOUNTAINVIEW, SUITE 212 •HOUSTON, TX 77057•(713) 784-5263•FAX 784-1711

August 14, 2000

RECEIVED

OCT 17 2000

GENERAL LAND OFFICE

Mr. Drew Reid, Landman
Texas General Land Office
Lease Administration
1700 N. College Ave., RM 640
Austin, Texas 78701

10.25 Ac

Dear Mr. Reid;

Chesapeake Exploration Limited Partnership et al, is presently drilling a Horizontal Well in the John Long League A-156, Washington County, Texas. Chesapeake anticipates that portions of US Business 290 (Market Street) will be part of a producing unit. Chesapeake Exploration Limited Partnership would like to lease all minerals owned by the State of Texas covering the portion of Highway US Business 290 as stated herein and depicted on the enclosed map. The area for lease begins at the a point where the Highway and the John Long Survey A-156 boundary line intersect. Then continues North West on the Highway through the Western boundaries of tracts 13 and 17.

At this point it is desired to lease only the North ½ of the road. This area is described as being from a point on the Western boundary of tracts 13 and 17 and ending at the Western boundary of Tract 67 where 290 intersects with Chappell Hill Road.

Enclosed are Certified Copies of the relevant Oil, Gas and Mineral Leases and non-certified copies of all Deeds, Right-of-Ways and Assignments. The Working Interest Owners have entered an Area of Mutual Interest and Joint Operating Agreement. These companies have agreed to cross convey any interest not covered by the enclosed assignments. Chesapeake Operating, Inc., Chesapeake Exploration Limited Partnership, Belco Energy and Union Pacific Resources are the owners of all the leasehold interest, in all tracts, next to the subject roadways.

Chesapeake Exploration Limited Partnership, as the owner and holder of the adjacent leasehold, desires to specifically waive its statutory right to receive notice of the proposed lease.

I hereby certify that all bonuses for leases belonging to mineral owners next to this Right of Way have been paid. The maximum bonus consideration was Two Hundred Dollars ($200.00) per net mineral acre. The largest royalty received by any of these owners is three-sixteenth (3/16) of eight-eights (8/8).

I appreciate your attention to this matter and I may be contacted at the phone number on the letterhead or 713-643-4505.

Respectfully,

Bob Hellbusch

Bob Hellbusch

6.

File No. WF 101380

Date Filed: 10/17/00

David Dewhurst, Commissioner

By

10.25

Lease Purchase Report

Mineral File Number: MF101280

Lessee: Chesapeake Exploration Ltd.
6206 North Western
Oklahoma City, OK, Zip

Legal Description:

Acreage: 10.25

Date of Lease: November 14th, 2000

County: Washington

Lease Term: Three Years (3yrs.), Paid-Up

Royalty: Three Sixteenths (3/16)

Total Bonus: $2,050.00

7.

File No. MF101280

Lease Purchase Report

Date Filed: 3/16/01

David Dewhurst, Commissioner

By Bill Rogers

HROW Lease
Revised 10/89

The State of Texas

PAID-UP
OIL AND GAS LEASE NO. MF101280
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and Chesapeake Exploration Ltd., whose address is 6206 North Western, Oklahoma City, OK 73118-0000, hereinafter called "Lessee".

1. Lessor, in consideration of Two Thousand Fifty Dollars ($2,050.00), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Washington, State of Texas, and is described as follows:

> 10.25 acres of land, more or less, situated in said Washington County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 10.25 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of Three Years (3yrs.), Paid-Up from November 14th, 2000, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

4. To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal Three Sixteenths (3/16) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such Three Sixteenths (3/16) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

5. To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee Three Sixteenths (3/16) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of Three Sixteenths (3/16) of such gas and casinghead gas.

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

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

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

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

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

area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

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

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

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

11. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

12. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the

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

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

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

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

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

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

18. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

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

20. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to twice the shut-in royalty payment set out in Paragraph 8 above, and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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

David Dewhurst

DAVID DEWHURST
COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

Approved:
Energy: _____
Legal: _____
Deputy: _____
Executive: _____

Road Deeds for State Owned Minerals
State Highway No (20) US 290
Application Letter dated August 14, 2000
from Chesapeake Exploration Limited Partnership

For Lease of Highway BUS 290 beginning at the intersection of the John Long Survey Line and headed North West through the Western boundaries of tracts 13 and 17, then continuing on 290 but at this point leasing only the North ½ of the road from the centerline of the Highway until ending the lease area at tract 67 which ends at the intersection of US Bus 290 and Chappell Hill Street.

1. Right of Way Deed dated February 1931, from T. F. Matchett and Henry S. Thornhill to State of Texas, Recorded in Volume 101, Page 210 of the Deed Records of Washington County, Texas **(FOR MAP TRACTS: 7, 8, 9, 10& 40)**

2. Right of Way Deed dated February 19, 1931, from F. S. Joswiak and Cecelia Joswiak to State of Texas, Recorded in Volume 101, Page 242 of the Deed Records of Washington County, Texas **(For Map Tracts: 26, 27, 28, 30, 29, & 49)**

3. Right of Way Deed dated February 18, 1931, from H. F.Hohlt Company to State of Texas, Recorded in Volume 101, Page 247 of the Deed Records of Washington County, Texas **(For Map Tract: 25)**

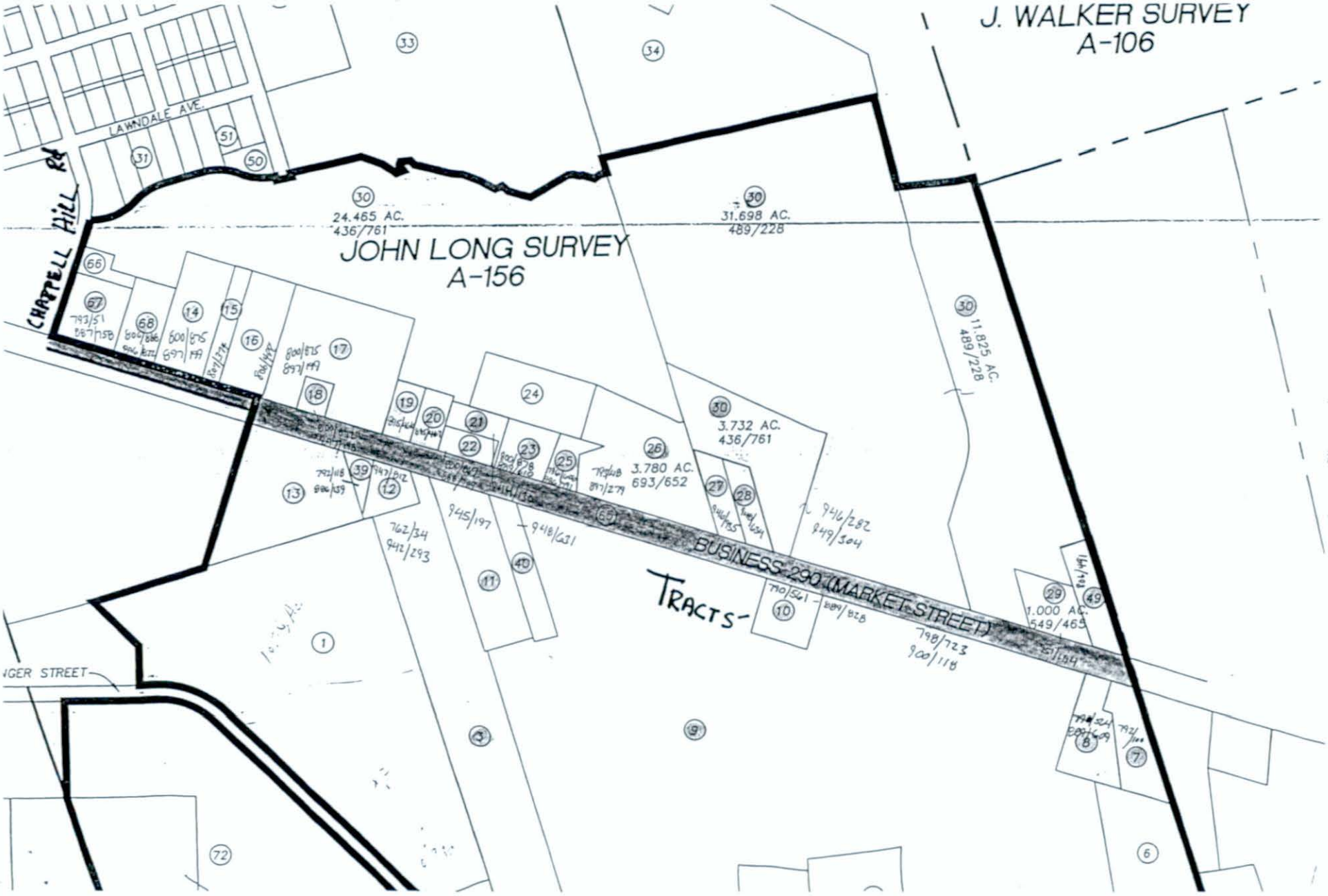
4. Deed dated September 16, 1931 from W. F. Brown to Washington County, Texas, Recorded in Volume 105, Page 130 of the Deed Records of Washington County, Texas **(For Map Tract : 11)**

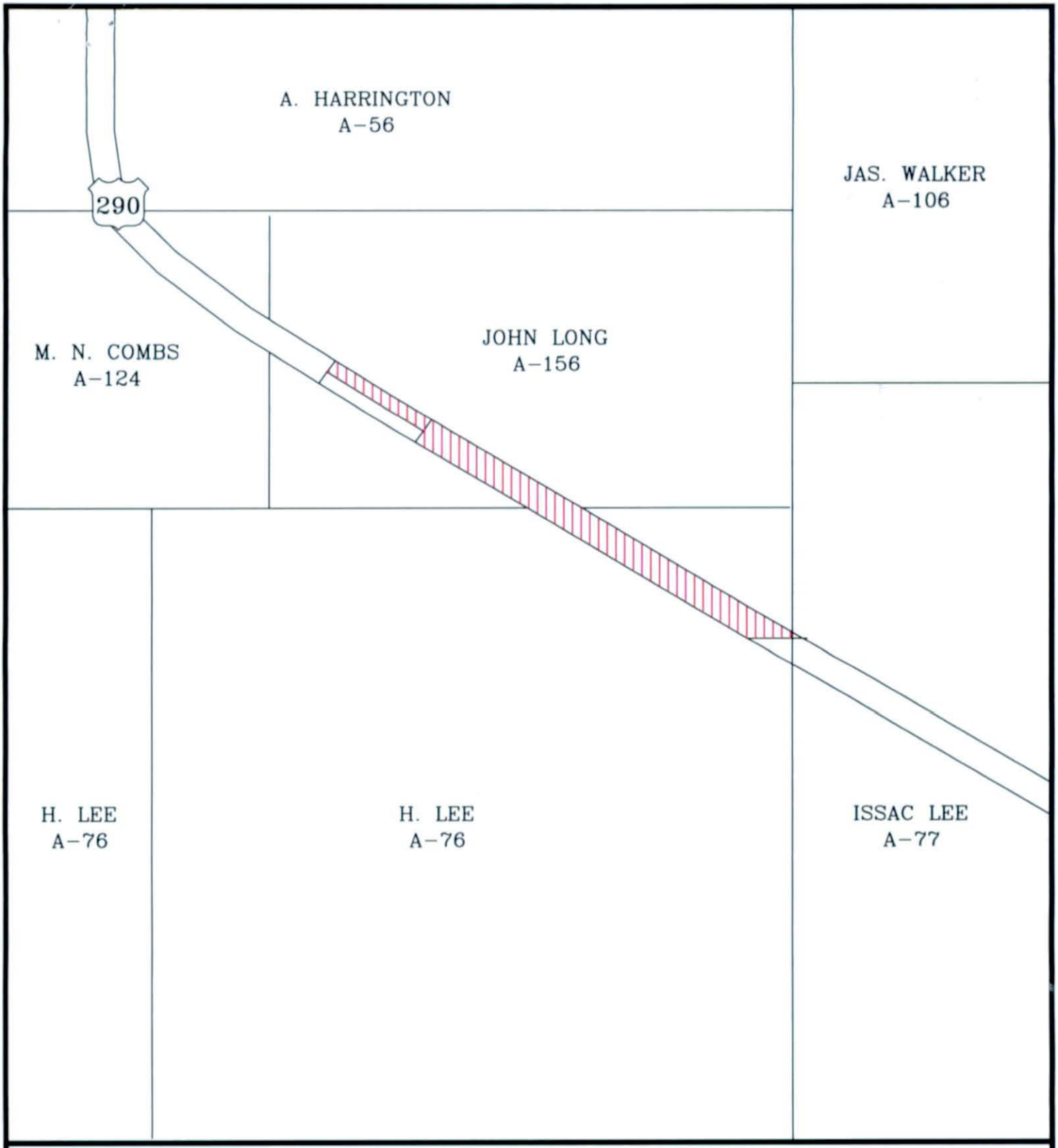
5. Right of Way Deed dated February 1931 from C. R. Eversberg and wife, Alma Eversberg to State of Texas, Recorded in Volume 101, Page 252 of the Deed Records of Washington County, Texas **(For Map Tract: 21,22,23)**

6. Right of Way Deed dated February 1931 from Will Kolwes to State of Texas, Recorded in Volume 101, Page 239 of the Deed Records of Washington County, Texas **(For Map Tract: 3)**

7. Right of Way Deed dated February 21, 1931 from L. Landua and wife, Henrietta Landua to State of Texas, Recorded in Volume 101, Page 235(page reflected as 236 on Highway Department Right of Way Map) of the Deed Records of Washington County, Texas (For Map Tract: 14)

8. Right of Way Deed from Mrs, J. R. Simon, widow to State of Texas, Recorded in Volume 101, Page 212 of the Deed Records of Washington County, Texas
(For Map Tracts: 12,13,15,16,17,18,19,20,21,23,39,67,68)


J. WALKER SURVEY
A-106
JOHN LONG SURVEY
A-156
CHATTELL HILL RD
LAWNDALE AVE.
24.465 AC.
436/761
31.698 AC.
489/228
11.825 AC.
489/228
3.732 AC.
436/761
3.780 AC.
693/652
1.000 AC.
549/465
BUSINESS 290 (MARKET STREET)
TRACTS-
GER STREET



US 290\ft\11-00

A MAP SHOWING

A PORTION OF US HIGHWAY 290 (MARKET STREET)

10.25 ACRES

APPROXIMATELY 1/4 MILE SE OF BRENHAM

WASHINGTON COUNTY

8.

File No. MF101280

Back up Lease

Date Filed: 3/16/01

David Dewhurst, Commissioner

By

April 1, 2003

FILE COPY

Chesapeake Operating, Inc.
PO Box 18496
Oklahoma City, OK 73154

Re: State Lease MF101280
Isaac #1-H
311068

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

Beverly Boyd, Lease Analyst
Mineral Leasing Division

unit 3036

DIVISION ORDER

MF 100931
MF 101280

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

PROPERTY NO.: 311068
PREPARED BY: PATSY WATTERS
EFFECTIVE: September 22, 2000

This agreement is made and entered into on the 14 day of February, 20 01.

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

OPERATOR: CHESAPEAKE OPERATING, INC.

PROPERTY NAME: ISAAC #1-H

COUNTY: WASHINGTON STATE: TEXAS

LEGAL DESCRIPTION: 1384.58 ACRES IN THE H. LEE SVY, A-76, J. CARRINGTON SVY, A-120, M.N. COMBS SVY, A-124, J. LONG SVY, A-156 AND P. H. COE SVY, A-31

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

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

DIVISION OF INTEREST

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

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

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

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $100.00 may be accrued before disbursement until the total amount equals $100.00, or until December 31 of each year, whichever occurs first. However, the Payor may hold accumulated proceeds of less than $10.00 until production ceases or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own. Payor is also authorized to withhold and offset future payments to recoup any payments made in error.

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

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

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

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

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

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

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

PLEASE RETURN THIS COPY

WELL NAME:				ISAAC #1-H	EXHIBIT 'A'				
UNIT DESCRIPTION:				H LEE SVY A-76, J LONG SVY A-156, MN COMBS SVY A-124 J CARRINGTON SVY	ATTACHED TO DIVISION ORDER DATED				
COUNTY, STATE:				WASHINGTON, TEXAS					
UNIT ACRES:				1384.580000				Analyst:	PATSY WATTERS

IT	OWN NO.	PROP. NUMBER	PY ST	EX CL	OWNER NAME	OWNER ADDRESS	NET ACRES IN UNIT	LEASE ROYALTY	UNIT INTEREST	COMMENT/ TITLE REQUIREMENT
2	640580	311068	SS		T R A A C CO LTD	1120 TEXAS AVE #6A HOUSTON TX 77002	0.000000	0.00086800	0.00008431	TR 32 95.578 AC NP TR 38 9.57 AC NP TR 69 2.01 AC NP TR 36 18.686667 AC NP TR 37 8.645 AC NP
2	646878	311068	SS		LISA BRENT	2400 VAN BUREN AMARILLO TX 79109	0.000000	0.00390625	0.00037943	TR 32 95.578 AC NP TR 38 9.57 AC NP TR 69 2.01 AC NP TR 36 18.686667 AC NP TR 37 8.645 AC NP
2	664784	311068	SL		JOHN W & BETTY WHISNANT	2400 S MARKET ST BRENHAM TX 77833	3.980000	0.16666667	0.00047909	TR 13 ATT 25, 26
2	664785	311068	ST		EMMA ADDICKS	2408 S MARKET ST BRENHAM TX 77833	0.650000	0.16666667	0.00007824	TR 12 ATT 20
2	664786	311068	SS		REINHOLD HERRMANN	5221 WONDER HILL RD CHAPPELL HILL TX 77426	1.370000	0.18750000	0.00018553	TR 7
2	664787	311068	SS		INK LINK LLC	2700 S MARKET ST BRENHAM TX 77833	1.360000	0.18750000	0.00018417	TR 8
2	664788	311068	SS		DOROTHY G STRINGER & EUGENE J MICHAUD W/H	11540 RIST CANYON RD BELLVUE CO 80512	19.000000	0.16666667	0.00228710	TR 1, 2, 73
2	664789	311068	SS		ROBERT D II & JUDITH C STRINGER HW	1712 BIRMINGHAM DR FT COLLINS CO 80526	0.775000	0.16666667	0.00009329	TR 2
2	646642	311068	SS		LOLLETT CHARLENE CRAIGEN	1901 S AUSTIN #A BRENHAM TX 77833	0.170000	0.10416667	0.00001279	TR 50
2	664790	311068	ST		STATE OF TEXAS	STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701	7.550000	0.18750000	0.00102242	TR 65 WAITING ON LEASE APPROVAL
2	646626	311068	PA		STATE OF TEXAS MF100931	STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701	6.490000	0.25000000	0.00117184	TR 94
2	664791	311068	SS		STEVEN I & DONNA L HOLLISTER	2418 S MARKET ST BRENHAM TX 77833	1.070000	0.16666667	0.00012880	TR 40
2	646364	311068	SS		CHARLES W SCHULTE	1621 BURLESON RD BRENHAM TX 77833	7.340000	0.20000000	0.00106025	TR 34
2	646365	311068	SS		JOHNIE SCHULTE JR	16021 KUBE CT HOUSTON TX 77040	7.340000	0.20000000	0.00106025	TR 34
2	646366	311068	SS		RAY A MURSKI	C/O CHARLES SCHULTE 1621 BURLESON RD BRENHAM TX 77833	7.340000	0.20000000	0.00106025	TR 34
2	664792	311068	SS		PLF PROPERTIES LP	1703 SHADY LN BRENHAM TX 77833	0.500000	0.16666667	0.00006019	TR 35

DIVISION ORDER

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

PROPERTY NO.: 311068
PREPARED BY: PATSY WATTERS
EFFECTIVE: September 22, 2000

This agreement is made and entered into on the 14 day of February, 20 01.

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

OPERATOR: CHESAPEAKE OPERATING, INC.

PROPERTY NAME: ISAAC #1-H

COUNTY: WASHINGTON STATE: TEXAS

LEGAL DESCRIPTION: 1384.58 ACRES IN THE H. LEE SVY, A-76, J. CARRINGTON SVY, A-120, M.N. COMBS SVY, A-124, J. LONG SVY, A-156 AND P. H. COE SVY, A-31

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

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

DIVISION OF INTEREST

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

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

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

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $100.00 may be accrued before disbursement until the total amount equals $100.00, or until December 31 of each year, whichever occurs first. However, the Payor may hold accumulated proceeds of less than $10.00 until production ceases or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own. Payor is also authorized to withhold and offset future payments to recoup any payments made in error.

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

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

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

WITNESS	SIGNATURE OF INTEREST OWNER	SOCIAL SECURITY/ TAX I.D. NO.	ADDRESS
	THIS COPY CAN BE RETAINED		
	FOR YOUR RECORDS.		

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

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

WELL NAME:				ISAAC #1-H	EXHIBIT 'A'				
UNIT DESCRIPTION:				H LEE SVY A-76, J LONG SVY A-156, MN COMBS SVY A-124 J CARRINGTON SVY	ATTACHED TO DIVISION ORDER DATED				
COUNTY, STATE:				WASHINGTON, TEXAS					
UNIT ACRES:				1384.580000				Analyst:	PATSY WATTERS

IT	OWN NO.	PROP. NUMBER	PY ST	EX CL	OWNER NAME	OWNER ADDRESS	NET ACRES IN UNIT	LEASE ROYALTY	UNIT INTEREST	COMMENT/ TITLE REQUIREMENT
2	640580	311068	SS		T R A A C CO LTD	1120 TEXAS AVE #6A HOUSTON TX 77002	0.000000	0.00086800	0.00008431	TR 32 95.578 AC NP TR 38 9.57 AC NP TR 69 2.01 AC NP TR 36 18.686667 AC NP TR 37 8.645 AC NP
2	646878	311068	SS		LISA BRENT	2400 VAN BUREN AMARILLO TX 79109	0.000000	0.00390625	0.00037943	TR 32 95.578 AC NP TR 38 9.57 AC NP TR 69 2.01 AC NP TR 36 18.686667 AC NP TR 37 8.645 AC NP
2	664784	311068	SL		JOHN W & BETTY WHISNANT	2400 S MARKET ST BRENHAM TX 77833	3.980000	0.16666667	0.00047909	TR 13 ATT 25, 26
2	664785	311068	ST		EMMA ADDICKS	2408 S MARKET ST BRENHAM TX 77833	0.650000	0.16666667	0.00007824	TR 12 ATT 20
2	664786	311068	SS		REINHOLD HERRMANN	5221 WONDER HILL RD CHAPPELL HILL TX 77426	1.370000	0.18750000	0.00018553	TR 7
2	664787	311068	SS		INK LINK LLC	2700 S MARKET ST BRENHAM TX 77833	1.360000	0.18750000	0.00018417	TR 8
2	664788	311068	SS		DOROTHY G STRINGER & EUGENE J MICHAUD W/H	11540 RIST CANYON RD BELLVUE CO 80512	19.000000	0.16666667	0.00228710	TR 1, 2, 73
2	664789	311068	SS		ROBERT D II & JUDITH C STRINGER HW	1712 BIRMINGHAM DR FT COLLINS CO 80526	0.775000	0.16666667	0.00009329	TR 2
2	646642	311068	SS		LOLLETT CHARLENE CRAIGEN	1901 S AUSTIN #A BRENHAM TX 77833	0.170000	0.10416667	0.00001279	TR 50
2	664790	311068	ST		STATE OF TEXAS	STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701	7.550000	0.18750000	0.00102242	TR 65 WAITING ON LEASE APPROVAL
2	646626	311068	PA		STATE OF TEXAS MF100931	STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701	6.490000	0.25000000	0.00117184	TR 94
2	664791	311068	SS		STEVEN I & DONNA L HOLLISTER	2418 S MARKET ST BRENHAM TX 77833	1.070000	0.16666667	0.00012880	TR 40
2	646364	311068	SS		CHARLES W SCHULTE	1621 BURLESON RD BRENHAM TX 77833	7.340000	0.20000000	0.00106025	TR 34
2	646365	311068	SS		JOHNIE SCHULTE JR	16021 KUBE CT HOUSTON TX 77040	7.340000	0.20000000	0.00106025	TR 34
2	646366	311068	SS		RAY A MURSKI	C/O CHARLES SCHULTE 1621 BURLESON RD BRENHAM TX 77833	7.340000	0.20000000	0.00106025	TR 34
2	664792	311068	SS		PLF PROPERTIES LP	1703 SHADY LN BRENHAM TX 77833	0.500000	0.16666667	0.00006019	TR 35

10-803

9.

File No. MF 101380

Division Order

Date Filed: 4/1/03

Jerry E. Patterson, Commissioner

By

MF101280

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 31, 2007

Carol Terrett
EnerVest Management Partners, Ltd.
1001 Fannin Street, Suite 800.
Houston, TX 77002-6707

RE: GLO Assignment ID # 6034

Dear Ms Terrett,

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

> Assignment and Bill of Sale executed June 27, 2007 from Anadarko E&P Co & Kerr McGee Oil & Gas Onshore LP to EnerVest Energy Institutional Fund X-A, L.P., etal.

Filing fees of $25.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

COPY

Exhibit "A"

GLO ID	*County*	*Lease*
6034	*Washington*	MF101068
6034	*Washington*	MF101088
6034	*Washington*	MF101089
6034	*Washington*	MF101280
6034	*Washington*	MF101785
6034	*Washington*	MF102386
6034	*Washington*	MF102393
6034	*Washington*	MF102667

Each file has its own assignment

VOL 1249 PAGE 156 ~~6038~~ 6034

ASSIGNMENT AND BILL OF SALE 3860

This Assignment and Bill of Sale (this "Conveyance") from **Anadarko E&P Company LP**, a Delaware limited partnership, and **Kerr-McGee Oil & Gas Onshore LP**, a Delaware limited partnership, each having an address of 1201 Lake Robbins Drive, The Woodlands, Texas 77380 (hereafter collectively called "Grantor"), to **EnerVest Energy Institutional Fund X-A, L.P.**, a Delaware limited partnership, **EnerVest Energy Institutional Fund X-WI, L.P.**, a Delaware limited partnership, **EnerVest Energy Institutional Fund XI-A, L.P.**, a Delaware limited partnership, **EnerVest Energy Institutional Fund XI-WI, L.P.**, a Delaware limited partnership, **EnerVest Wachovia Co-Investment Partnership, L.P.**, a Delaware limited partnership, and **EV Properties, L.P.**, a Delaware limited partnership, each having an address of 1001 Fannin, Suite 800, Houston, Texas 77002 (hereafter collectively called "Grantee"), is executed this 27th day of June, 2007, but effective as of 7:00 a.m., local time, where the Assets are located, on the 1st day of April, 2007 ("Effective Time").

Reference is made to the Purchase and Sale Agreement more particularly described in **Section 4.2** of this Conveyance. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase and Sale Agreement.

ARTICLE 1
Conveyance of Oil and Gas Interests

Section 1.1. Conveyance: Grantor, for good and valuable consideration, in hand paid, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells, and conveys unto each Grantee, in the respective undivided interests set forth on **Schedule 1.1** attached hereto (each Grantee's undivided interest in the Assets called such Grantee's "Grantee Share"), all of Grantor's right, title, interest and estate, real or personal, recorded or unrecorded, movable or immovable, tangible or intangible, in and to the following, excepting the Excluded Assets (collectively the "Assets"):

(a) All of the oil and gas leases; subleases and other leaseholds; carried interests; farmout rights; options; and other properties and interests described on **Exhibit A** attached hereto, subject to such depth limitations and other restrictions as may be set forth on **Exhibit A** (collectively, the "Leases"), together with each and every kind and character of right, title, claim, and interest that Grantor has in and to the Leases or the lands currently pooled, unitized, communitized or consolidated therewith (the "Lands");

(b) All oil, gas, water or injection wells located on the Lands, whether producing, shut-in, or temporarily abandoned, including the interests in the wells shown on **Exhibit A-1** attached hereto (the "Wells");

(c) All leasehold interest of Grantor in or to any currently existing pools or units which include any Lands or all or a part of any Leases or include any Wells, including those pools or units shown on **Exhibit A-1** (the "Units"; the Units, together with the Leases, Lands and Wells, being hereinafter referred to as the "Properties"), and including all leasehold interest of Grantor in production of Hydrocarbons from any such Unit, whether such Unit production of Hydrocarbons comes from Wells located on or off of a Lease, and all tenements, hereditaments and appurtenances belonging to the Leases and Units;

(d) All contracts, agreements and instruments by which the Properties are bound, or that relate to or are otherwise applicable to the Properties, only to the extent applicable to the Properties rather than Grantor's other properties, including but not limited to, operating

agreements, unitization, pooling and communitization agreements, declarations and orders, joint venture agreements, farmin and farmout agreements, exploration agreements, participation agreements, exchange agreements, transportation or gathering agreements, agreements for the sale and purchase of oil, gas, casinghead gas or processing agreements to the extent applicable to the Properties or the production of Hydrocarbons produced in association therewith from the Properties, including those identified on **Schedule 1.2(d)** to the Purchase and Sale Agreement (hereinafter collectively referred to as "Contracts"), but excluding any contracts, agreements and instruments to the extent transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8** to the Purchase and Sale Agreement and provided that "Contracts" shall not include the instruments constituting the Leases;

(e) All easements, permits, licenses, servitudes, rights-of-way, surface leases and other surface rights ("Surface Contracts") appurtenant to, and used or held for use primarily in connection with the Properties (including those identified on **Exhibit B** attached hereto), but excluding any permits and other rights to the extent transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8** to the Purchase and Sale Agreement;

(f) All equipment, machinery, fixtures and other tangible personal property and improvements located on the Properties or used or held for use primarily in connection with the operation of the Properties, including those identified on **Exhibit A-2** to the Purchase and Sale Agreement ("Equipment");

(g) All flow lines, pipelines, gathering systems and appurtenances thereto located on the Properties or used, or held for use, primarily in connection with the operation of the Properties, including those identified on **Schedule 1.2(g)** to the Purchase and Sale Agreement ("Pipelines");

(h) All Hydrocarbons produced from or attributable to the Leases, Lands, and Wells from and after the Effective Time, together with Imbalances associated with the Properties;

(i) All lease files; land files; well files; gas and oil sales contract files; gas processing files; division order files; abstracts; title opinions; land surveys; non-confidential logs; maps; engineering data and reports; and other books, records, data, files, and accounting records, in each case to the extent related primarily to the Assets, or used or held for use primarily in connection with the maintenance or operation thereof, but excluding (i) any books, records, data, files, maps and accounting records to the extent disclosure or transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8** to the Purchase and Sale Agreement, (ii) attorney-client privileged communications and work product of Grantor's legal counsel (other than title opinions), (iii) reserve studies and evaluations, and (iv) records relating to the negotiation and consummation of the sale of the Assets (subject to such exclusions, the "Records"); and

(j) Any solely-owned proprietary seismic data related to the Properties and, to the extent disclosure or transfer is not restricted by third-party agreement or applicable Law, any jointly-owned proprietary seismic data related to the Properties (provided, Grantee shall assume, discharge and be liable for any obligation owed by Grantor under the terms of the agreement covering such jointly-owned seismic data in connection with the transfer thereof).

Section 1.2. Excluded Assets: Excepting and reserving to Grantor the following:

(a) all corporate, financial, income and franchise tax and legal records of Grantor that relate to Grantor's business generally (whether or not relating to the Assets), and all books, records and files that relate to the Excluded Assets and those records retained by Grantor pursuant to **Section 1.1(i)** above and copies of any other Records retained by Grantor pursuant to **Section 1.5** to the Purchase and Sale Agreement;

(b) all non-proprietary geological and geophysical data (including all non-proprietary seismic data, including reprocessed data) and, to the extent not expressly included in **Section 1.1(i)** above, all logs, interpretive data, technical evaluations, technical outputs, reserve estimates and economic estimates;

(c) all rights to any refund of Taxes or other costs or expenses borne by Grantor or Grantor's predecessors in interest and title attributable to periods prior to the Effective Time;

(d) Grantor's area-wide bonds, permits and licenses or other permits, licenses or authorizations used in the conduct of Grantor's business generally;

(e) those items listed in **Exibit C** attached hereto;

(f) all trade credits, account receivables, note receivables, take-or-pay amounts receivable, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time;

(g) all right, title and interest of Grantor in and to vehicles or vessels used in connection with the Assets;

(h) all rights, titles, claims and interests of Grantor or any Affiliate of Grantor (i) to or under any policy or agreement of insurance or any insurance proceeds; except to the extent provided in **Section 3.5** to the Purchase and Sale Agreement, and (ii) to or under any bond or bond proceeds;

(i) any patent, patent application, logo, service mark, copyright, trade name or trademark of or associated with Grantor or any Affiliate of Grantor or any business of Grantor or of any Affiliate of Grantor; and

(j) a nonexclusive right to freely use any seismic data, logs, maps, engineering data and reports, reserve studies and evaluations, and other data and information being transferred as a part of the Assets; provided, however, that Grantor shall not assign its right hereunder to any third party.

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns, forever, subject, however, to the terms and conditions of this Conveyance.

ARTICLE 2
Limited Warranty and Disclaimers

Special Limited Warranty: As of the Effective Time, Grantor warrants to Grantee that it has Defensible Title to the Units and Wells shown on **Exhibit A-1** against all persons claiming

or to claim the same or any part thereof by, through or under Grantor or its Affiliates, but not otherwise, subject to the Permitted Encumbrances.

Grantor makes no, and expressly disclaims any, other warranty of title to the Assets. Grantor hereby assigns to Grantee all rights, claims, and causes of action on title warranties given or made by Grantor's predecessors (other than Affiliates of Grantor), to the extent Grantor may legally transfer such rights.

Grantee shall not be entitled to protection under the special limited warranty of title provided herein against any Title Defect reported by Grantee under **Article 3** to the Purchase and Sale Agreement and/or any Title Defect disclosed or known by Grantee prior to the Title Claim Date.

EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE 5 TO THE PURCHASE AND SALE AGREEMENT, CONFIRMED IN THE CERTIFICATE OF GRANTOR DELIVERED PURSUANT TO SECTION 9.2(c) THERETO, OR IN THIS CONVEYANCE, (I) GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) GRANTOR EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO GRANTEE OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO GRANTEE BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF GRANTOR OR ANY OF ITS AFFILIATES).

EXCEPT AS EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE 5 TO THE PURCHASE AND SALE AGREEMENT, CONFIRMED IN THE CERTIFICATE OF GRANTOR DELIVERED PURSUANT TO SECTION 9.2(c) THERETO, OR IN THIS CONVEYANCE, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, GRANTOR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY THIRD PARTIES, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO GRANTEE OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THE PURCHASE AND SALE AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT GRANTEE SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND

STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS AND THAT GRANTEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS GRANTEE DEEMS APPROPRIATE, OR (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT.

GRANTOR HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND GRANTEE SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS" FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION.

ARTICLE 3
Assumption of Obligations

Section 3.1. Assumed Grantor Obligations: Effective on the date of this Conveyance, Grantee assumes and agrees to fulfill, perform, pay and discharge the Assumed Seller Obligations.

Section 3.2. Subject to Leases and Contracts: Grantee is taking the Assets subject to the terms of, among others, those Leases and Contracts identified in the Purchase and Sale Agreement and conveyed hereby, to the extent those Leases and Contracts are valid, binding and enforceable on the date of this Conveyance, and hereby assumes and agrees to fulfill, perform, pay and discharge Grantor's obligations under such Leases and Contracts from and after the date of this Conveyance.

Section 3.3. NORM, Wastes and Other Substances: Grantee acknowledges that the Assets have been used for exploration, development, and production Hydrocarbons and that there may be petroleum, produced water, wastes, or other substances or materials located in, on or under the Properties or associated with the Assets. Equipment and sites included in the Assets may contain asbestos, hazardous substances, or NORM. NORM may affix or attach itself to the inside of wells, materials, and equipment as scale, or in other forms. The wells, materials, and equipment located on the Properties or included in the Assets may contain NORM and other wastes or hazardous substances. NORM containing material and/or other wastes or hazardous substances may have come in contact with various environmental media, including without limitation, water, soils or sediment. Special procedures may be required for the assessment, remediation, removal, transportation, or disposal of environmental media, wastes, asbestos, hazardous substances, and NORM from the Assets.

ARTICLE 4
Miscellaneous

Section 4.1. Further Assurances: After Closing, without further consideration, Grantor and Grantee each agrees to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other party for carrying out the purposes of this Conveyance or of any document delivered pursuant to this Conveyance.

Section 4.2. Conveyance Subject to Purchase and Sale Agreement: This Conveyance is expressly subject to the terms and conditions of that certain Purchase and Sale Agreement by and among Grantor and EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Management Partners, Ltd. ("EnerVest Partners"), Wachovia Investment Holdings, LLC ("Wachovia") and EV Properties, L.P. (as subsequently assigned with respect to the interest of each of EnerVest Partners and Wachovia in the Purchase and Sale Agreement to EnerVest Wachovia Co-Investment Partnership, L.P.) dated April 13, 2007 (as amended, the "Purchase and Sale Agreement"). If there is a conflict between the terms of this Conveyance and the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall control.

Section 4.3. Successors and Assigns: This Conveyance shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 4.4. Titles and Captions: All article or section titles or captions in this Conveyance are for convenience only, shall not be deemed part of this Conveyance and in no way define, limit, extend, or describe the scope or intent of any provisions hereof. Except to the extent otherwise stated in this Conveyance, references to "Articles" and "Sections" are to Articles and Sections of this Conveyance, and references to "Exhibits" are to Exhibits attached to this Conveyance, which are made parts hereof for all purposes.

Section 4.5. Filings. As a matter of convenience and not as a limitation to the Assets transferred by this Conveyance, the parties hereto may file counterparts of this Conveyance that only include the descriptions of those Assets that are located in the jurisdiction where such Conveyance is filed. A fully-executed original of this Conveyance (including the descriptions of all Assets transferred by this Conveyance) shall be maintained at the offices of Grantee.

Section 4.6. Government Assignments. Separate assignments may be executed on forms approved by Governmental Bodies in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain the special warranty of title of Grantor and all of the exceptions, reservations, rights, titles, powers and privileges set forth herein as fully and only to the extent as though they were set forth in each such separate assignment. In the event of any conflict between the terms of this Conveyance and such other assignments, the terms of this Conveyance shall govern and control.

Section 4.7. Governing Law: This Conveyance and the rights of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of Texas without regard to principles of conflicts of laws otherwise applicable to such determinations.

Section 4.8. Several Liability: Notwithstanding anything to the contrary contained elsewhere in this Conveyance, with respect to all of Grantee's covenants contained in this Conveyance, each Grantee shall be severally, but not jointly, obligated to Grantor (and with respect to Grantee's covenants contained this Conveyance relating specifically to the Assets, as to such Grantee's Grantee Share only).

Section 4.9 Counterparts: This Conveyance may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument.

[SIGNATURE PAGE FOLLOWS]

EXECUTED on the date first written above.

Grantor:

ANADARKO E&P COMPANY LP

By: _____
Albert L. Richey
Vice President, Corporate Development

KERR-McGEE OIL & GAS ONSHORE LP

By: _____
Albert L. Richey
Vice President

Grantee:

ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

EV PROPERTIES, L.P.,

By: EV Properties GP, LLC,
its General Partner

By: EV Energy Partners, L.P.,
its Sole Member

By: EV Energy GP, L.P.,
its General Partner

By: EnerVest Management, LLC,
its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by Albert L. Richey, Vice President, Corporate Development, of **ANADARKO E&P COMPANY LP**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by Albert L. Richey, Vice President of **KERR-McGEE OIL & GAS ONSHORE LP**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management, LLC, general partner of EV Energy GP, L.P., general partner of EV Energy Partners, L.P., the sole member of EV Properties GP, LLC, general partner of **EV PROPERTIES, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

7-30-07

SCHEDULE "1.1"

Attached to and made a part of
Assignment and Bill of Sale between
ANADARKO E&P COMPANY LP and
KERR-McGEE OIL & GAS ONSHORE LP, as Grantor,
and
ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.,
ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P., and
EV PROPERTIES, L.P., as Grantee,
effective April 1, 2007.

GRANTEE SHARE

EnerVest Energy Institutional Fund X-A, L.P.	4.7700%
EnerVest Energy Institutional Fund X-WI, L.P.	7.2300%
EnerVest Energy Institutional Fund XI-A, L.P.	35.3770%
EnerVest Energy Institutional Fund XI-WI, L.P.	15.9570%
EnerVest Wachovia Co-Investment Partnership, L.P.	23.3330%
EV Properties, L.P.	13.3330%

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7-30-07

Lease Number		Lessor	Lessee	State	County	Lease Date	Recording
TX51919	003	BOBBY G AND LANELL ARNDT	GIN LANE COMPANY	TX	WASHINGTON	06/25/94	WASHINGTON, TX: BOOK#: 752 PAGE#: 405 RECEPTION#: 7514 .
TX51920	000	RICHARD AND CLARA HERMANN	GIN LANE COMPANY	TX	WASHINGTON	07/01/94	WASHINGTON, TX: BOOK#: 752 PAGE#: 390 RECEPTION#: 7509 .
TX51921	001	DONALD W LAMPE	GIN LANE COMPANY	TX	WASHINGTON	07/11/94	WASHINGTON, TX: BOOK#: 748 PAGE#: 829 RECEPTION#: 6713 .
TX51921	002	KAY ANN LAMPE	GIN LANE COMPANY	TX	WASHINGTON	07/05/94	WASHINGTON, TX: BOOK#: 748 PAGE#: 829 RECEPTION#: 6713 .
TX51914	001	JULIAN W PEARLIE KUBECZKA	GIN LANE COMPANY	TX	WASHINGTON	07/30/94	WASHINGTON, TX: BOOK#: 756 PAGE#: 391 RECEPTION#: 8458 .
TX51914	003	FOUR SEASONS DEVELOPMENT C	GIN LANE COMPANY	TX	WASHINGTON	08/02/94	WASHINGTON, TX: BOOK#: 756 PAGE#: 395 RECEPTION#: 8459 .
TX52193	000	ATCHISON TOPEKA SANTA FE R	HEMUS INC	TX	WASHINGTON	10/16/95	WASHINGTON, TX: BOOK#: 805 PAGE#: 22 .
TX50244	000	RICHARD W & MELBA MAXINE SWART	HUNT OIL COMPANY INC	TX	WASHINGTON	10/02/91	WASHINGTON, TX: BOOK#: 660 PAGE#: 71 RECEPTION#: 5232 .
TX50256	000	JACK F AND DORA R BAYLESS SR	HUNT OIL COMPANY INC	TX	WASHINGTON	10/23/91	WASHINGTON, TX: BOOK#: 660 PAGE#: 875 RECEPTION#: 5443 .
TX50890	000	ALBERT F SEEBACH	J KAY BUCHANAN TRUST	TX	WASHINGTON	11/07/92	WASHINGTON, TX: BOOK#: 684 PAGE#: 652 RECEPTION#: 5299 .
TX50891	000	OTTO C SCHLOTTMANN	J KAY BUCHANAN TRUST	TX	WASHINGTON	11/07/92	WASHINGTON, TX: BOOK#: 684 PAGE#: 656 RECEPTION#: 5501 .
TX50892	001	CORNELIA O MOORE	J KAY BUCHANAN TRUST	TX	WASHINGTON	11/23/92	WASHINGTON, TX: BOOK#: 687 PAGE#: 19 .
TX50892	002	ELINOR O CLEMENS	J KAY BUCHANAN TRUST	TX	WASHINGTON	11/23/92	WASHINGTON, TX: BOOK#: 687 PAGE#: 23 .
TX50893	001	IMOGENE CLAY CHAPPEL	J KAY BUCHANAN TRUST	TX	WASHINGTON	12/19/92	WASHINGTON, TX: BOOK#: 687 PAGE#: 44 RECEPTION#: 5794 .
TX50893	002	DAVID JONES PATTI CLAY	J KAY BUCHANAN TRUST	TX	WASHINGTON	12/19/92	WASHINGTON, TX: BOOK#: 687 PAGE#: 40 RECEPTION#: 5793 .
TX50894	000	JANICE EUGENE SUPAK	J KAY BUCHANAN TRUST	TX	WASHINGTON	09/08/93	WASHINGTON, TX: BOOK#: 715 PAGE#: 299 .
TX50896	000	RAY BURNESS L HAHN	J KAY BUCHANAN TRUST	TX	WASHINGTON	11/09/92	WASHINGTON, TX: BOOK#: 685 PAGE#: 705 RECEPTION#: 5517 .
TX51092	002	CLYDE G BENNETT AL DICICCO	JAMES A BUCHANAN TRUST	TX	WASHINGTON	06/16/94	WASHINGTON, TX: BOOK#: 741 PAGE#: 325 .
TX51092	003	ROBERT G NUENDORFF ET UX	JAMES A BUCHANAN TRUST	TX	WASHINGTON	06/21/94	WASHINGTON, TX: BOOK#: 743 PAGE#: 416 .
TX50801	001	MILDRED SOMMERFELD	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/15/95	WASHINGTON, TX: BOOK#: 730 PAGE#: 190 RECEPTION#: 577 .
TX50801	002	MELVIN SPIESS	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/15/95	WASHINGTON, TX: BOOK#: 812 PAGE#: 284 RECEPTION#: 953568 .
TX50801	003	LEONA WALDO LUEDEKER	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/15/95	WASHINGTON, TX: BOOK#: 812 PAGE#: 293 RECEPTION#: 955567 .
TX50801	004	ERWIN SPIESS	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/15/95	WASHINGTON, TX: BOOK#: 812 PAGE#: 279 .
TX50802	000	ESTHER SPIESS	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/15/95	WASHINGTON, TX: BOOK#: 812 PAGE#: 303 .
TX50803	000	ERICH W DORIS GLENEWINKEL	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/12/95	WASHINGTON, TX: BOOK#: 812 PAGE#: 303 .
TX50804	000	LYLE MEIER KENAN MEIER	JIM BURGIN AND ASSOCIATES	TX	WASHINGTON	07/13/95	WASHINGTON, TX: BOOK#: 901 PAGE#: 070 .
TX50210	000	E L AND ANN P PHILLIPS LIV	JOHN H YOUNG INC	TX	WASHINGTON	11/22/94	WASHINGTON, TX: BOOK#: 759 PAGE#: 849 .
TX50234	002	BRUCE L RABALAIS ET UX	JOHN H YOUNG INC	TX	WASHINGTON	10/13/94	WASHINGTON, TX: BOOK#: 759 PAGE#: 842 .
TX50234	003	STEVE M RYBARSKI ET UX	JOHN H YOUNG INC	TX	WASHINGTON	10/25/94	WASHINGTON, TX: BOOK#: 759 PAGE#: 843 .
TX50781	000	ROSEMARIE LICHTENBERG ET AL	MARATHON OIL COMPANY	TX	WASHINGTON	06/26/98	WASHINGTON, TX: BOOK#: 900 PAGE#: 184 .
TX50782	000	MICHAEL J BUDELL ET UX	MARATHON OIL COMPANY	TX	WASHINGTON	06/26/98	WASHINGTON, TX: BOOK#: 900 PAGE#: 182 .
TX50783	000	AMIERCAN LIGHTING STANDARD	MARATHON OIL COMPANY	TX	WASHINGTON	05/28/98	WASHINGTON, TX: BOOK#: 901 PAGE#: 029 .
TX50784	000	RONALD W WOLTMAN	MARATHON OIL COMPANY	TX	WASHINGTON	06/26/98	WASHINGTON, TX: BOOK#: 901 PAGE#: 027 .
TX50816	002	HARVEY L MADELINE SKINNER	MARATHON OIL COMPANY	TX	WASHINGTON	08/18/98	WASHINGTON, TX: BOOK#: 904 PAGE#: 821 .
TX40155	RW0	ST-TX MF-101785	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	10/23/01	WASHINGTON, TX: BOOK#: 1023 PAGE#: 423.
TX40145	RW0	ST-TX MF-101068	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/21/00	WASHINGTON, TX: BOOK#: 1032 PAGE#: 206 RECEPTION#:3116.
TX40146	RW0	ST-TX MF-102386	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	04/30/02	WASHINGTON, TX: BOOK#: 1041 PAGE#: 149 RECEPTION 5070.
TX40147	RW0	ST-TX MF-102393	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/21/99	WASHINGTON, TX: BOOK#: 1041 PAGE#: 155 RECEPTION 5071.
TX40149	RW0	ST-TX MF-102667	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	12/18/02	WASHINGTON, TX: BOOK#: 1063 PAGE#: 565 RECEPTION# 0923.
TX52778	RW0	ST-TX MF-101088	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/20/00	WASHINGTON, TX: BOOK#: 988 PAGE#: 685.
TX52779	RW0	ST-TX MF-101089	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/20/00	WASHINGTON, TX: BOOK#: 988 PAGE#: 692.
TX52780	RW0	ST-TX MF-101280	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	11/14/00	WASHINGTON, TX: BOOK#: 988 PAGE#: 699 .

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7-30-07

EXHIBIT "C"

Attached to and made a part of
Assignment and Bill of Sale between
ANADARKO E&P COMPANY LP, and
KERR-McGEE OIL & GAS ONSHORE LP, as Grantor,
and
ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.,
ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P. and
EV PROPERTIES, L.P., as Grantee,
effective April 1, 2007

EXCLUDED ITEMS

AEPC OCM No.	Seller	Purchaser	Contract Description
8731	AEPC	AESC	Intracompany NGL Purchase Contract
	AEPC	ETC Texas Pipeline, LTD	NGL Cutback - ETC Email Agreement
7545	AEPC	AESC	Intracompany Gas Purchase Contract
9419	AEPC/AESC	ETC Texas Pipeline, LTD/ Oasis Pipeline, L.P./ ETC Katy Pipeline, LTD	ETC Cutback Letter Agreement

The following interests in oil and gas wells, together with all contracts, equipment, records and other personal property related thereto that would constitute Contracts, Surface Contracts, Equipment, Records, and other Assets, but for the fact that, and solely to the extent that, they relate to interests in oil and gas leases not conveyed to Grantee pursuant to this conveyance and interests in oil and gas wells that constitute Excluded Assets, are excluded from the Assets and conveyed unto Grantor

AREA	STATE	COUNTY	LEASE	OPERATOR	WI (%)	NRI-OIL (%)	NRI-GAS (%)
DEEP GIDDINGS	TX	BRAZOS	BORISKIE-DIVERSIFIED UNIT 1	ANADARKO E & P COMPANY LP	1.52898	1.17390	1.17390
BROOKELAND	TX	NEWTON	CHAMPION A-334 #1 RE (B)	ANADARKO E & P COMPANY LP	31.60164	26.54013	26.54013
DEEP GIDDINGS	TX	AUSTIN	DERKING UNIT 1	ANADARKO E & P COMPANY LP	9.03675	7.46902	7.46902
DEEP GIDDINGS	TX	AUSTIN	DERKING UNIT #3	ANADARKO E & P COMPANY LP	9.03675	7.38262	7.38262
BROOKELAND	TX	NEWTON	DONNER-BROWN A-148 UNIT#1 OL	ANADARKO E & P COMPANY LP	5.47826	4.74973	4.74973
DEEP GIDDINGS	TX	BRAZOS	FELIX UNIT #1	ANADARKO E & P COMPANY LP	3.12766	2.35286	2.35286
DEEP GIDDINGS	TX	AUSTIN	GLAESER UNIT #2 (B)	ANADARKO E & P COMPANY LP	18.43265	15.21906	15.21906
DEEP GIDDINGS	TX	AUSTIN	GLAESER UNIT 1	ANADARKO E & P COMPANY LP	18.43265	14.65004	14.65004
CENTRAL GIDDINGS	TX	WASHINGTON	JOHNSTON A #1 RE	ADAMS RESOURCES	15.90470	13.68696	13.68696
CENTRAL GIDDINGS	TX	FAYETTE	KASPAR UNIT #2 RF	ANADARKO E & P COMPANY LP	3.39700	2.54400	2.54400
CENTRAL GIDDINGS	TX	FAYETTE	KASPAR UNIT #3 RF (D)	ANADARKO E & P COMPANY LP	3.39700	2.54400	2.54400
DEEP GIDDINGS	TX	AUSTIN	RAINS TRUST UNIT # 1	ANADARKO E & P COMPANY LP	8.08770	6.71048	6.71048
DEEP GIDDINGS	TX	AUSTIN	RAINS TRUST UNIT # 2 (D)	ANADARKO E & P COMPANY LP	8.08719	6.71048	6.71048
BROOKELAND	TX	NEWTON	TEXACO AMI UNIT 5 #1-H RE	ANADARKO E & P COMPANY LP	82.94460	66.79615	66.79615
BROOKELAND	TX	NEWTON	TEXACO FEE AMI #1-H RE	ANADARKO E & P COMPANY LP	30.94890	24.31550	24.31550

FILED FOR RECORD
2007 JUL 23 PM 12:01

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Return to:
EnerVest Management Partners, Ltd.
Attn: Land Department
1001 Fannin Street, Suite 800
Houston, Texas 77002-6707

ENERVEST

July 19, 2007

STATE OF TEXAS M-101280
GENERAL LAND OFFICE
PO BOX 12873
AUSTIN, TEXAS 78711-2873

Re: Notice of Assignment
Washington County, Texas

Dear Addressee:

In accordance with the provisions of the oil, gas and mineral lease described below, we are notifying you of an assignment of such lease from Anadarko E&P Company LP and Kerr-McGee Oil & Gas Onshore LP, collectively as Grantor, to EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., and EV Properties, L.P., collectively as Grantee.

Lessor	Lease Date	Lease No.
STATE OF TEXAS M-101280	11/14/2000	TX52780.000

Enclosed for your file and information is a copy of the recorded Assignment and Bill of Sale executed June 27, 2007, but effective April 1, 2007, along with a portion of Exhibit A describing the above Lease.

EnerVest Management Partners, Ltd. is the General Partner of the Grantee. If you have any questions or concerns, please do not hesitate to contact me at 713-495-5316.

Very truly yours,

EnerVest Management Partners, Ltd.

Carol Terrett

Carol Terrett
Senior Lease Analyst

enclosure

10.

File No. MF/01380

Assignment

Date Filed: 7.31.07

Jerry E. Patterson, Commissioner

By [illegible]

6-30-05

Unit 3036
M-101280
M-100931

RRC ONLINE SYSTEM

Oil & Gas Production Data Query

Production Data FAQs PDQ Help

General Production Query **Specific Lease Query**

Specific Lease Query Results

Query Path: Search Criteria > District 03, Lease: ISAAC

Date Range: Jun 2014 to Aug 2016 Submit

Related Links
O&G Directory
O&G Proration Schedule
Offshore County Map

View by: **Production and Total Disposition** Disposition Details County Production

Lease Name: ISAAC, Lease No: 180143, Well No: 1H
District 03
Lease Production and Disposition
Jun 2014 - Aug 2016

View Page By Page

Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Jun 2014	65	65	0	0	ENERVEST OPERATING, L.L.C.	252131	GIDDINGS (AUSTIN CHALK, GAS)	34773550
Jul 2014	0	0	0	0				
Aug 2014	457	457	0	0				
Sep 2014	0	0	0	0				
Oct 2014	0	0	0	0				
Nov 2014	0	0	0	0				
Dec 2014	0	0	0	0				
Jan 2015	0	0	0	0				
Feb 2015	0	0	0	0				
Mar 2015	0	0	0	0				
Apr 2015	0	0	0	0				
May 2015	0	0	0	0				
Jun 2015	0	0	0	0				
Jul 2015	0	0	0	0				
Aug 2015	0	0	0	0				
Sep 2015	0	0	0	0				

Oct 2015	0	0	0	0				
Nov 2015	0	0	0	0				
Dec 2015	0	0	0	0				
Jan 2016	0	0	0	0				
Feb 2016	0	0	0	0				
Mar 2016	0	0	0	0				
Apr 2016	0	0	0	0				
May 2016	0	0	0	0				
Jun 2016	0	0	0	0				
Jul 2016	0	0	0	0				
Aug 2016	0	0	0	0				
Total	522	522	0	0				

View Page By Page

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