

**JULY 17, 2007****MINERAL LEASE BID APPLICATION****APPLICANT
AGREEMENT**

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

**APPLICANT
IDENTIFICATION
TO APPEAR ON
LEASE** (type/print)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____
(Include +4 Code)

Telephone: () _____

**AREA
DESCRIPTION**County(ies): _____ Survey/Area: _____
(If Applicable)Block/Tsp.: _____ Section/Tract: _____ Acres: _____
(If Applicable)**BID
SUBMISSION**

(A) Bonus Amount (\$) _____

(type/print above)

(B) Sales Fee Amount (\$) _____

(type/print above)

This Sales Fee is 1½% of the cash bonus as provided in Section 32.110 of the Natural Resources Code as amended.

MGL. NO.**APPLICANT NAME****BONUS AMOUNT ONLY (A)**
(**Do Not** include sales fee)_____
(same as above) (\$) _____**STATE OF TEXAS
TAX I.D. #**_____
(must be an 11-digit number)**SIGNATURE OF
AGENT**_____
(signature)_____
(type/print name)

JULY 17, 2007 SEALED BID OIL, GAS & GEOTHERMAL LEASE SALE

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Under the applicable provisions of Chapters 32, 34 and 52 of the Natural Resources Code, the tracts in this Notice for Bids will be leased by competitive sealed bid for the production of oil, gas, geothermal energy and other minerals. The School Land Board will receive sealed bids until 10:00 a.m. on July 17, 2007, at the General Land Office in Austin, Texas. Bids received after 10:00 a.m. will not be considered.

Separate bids must be submitted on the enclosed bid form for each tract identified by a separate MGL. NO. Bids should include:

- 1) The tract description as given in this Notice for Bids
- 2) Bidder's name and address
- 3) Bidder's Tax I.D. Number

All bids must be sealed and addressed to the COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE, 1700 N. CONGRESS AVE., STEPHEN F. AUSTIN STATE OFFICE BUILDING, AUSTIN, TEXAS, 78701-1495. Each envelope containing a bid should be endorsed "SEALED BID FOR MINERAL LEASE, July 17, 2007." Each bid must include a check for the cash bonus, which is being offered on the tract. In addition, a bid must include a separate check in the amount of 1½% of the bid as a sales fee. All checks should be payable to the Commissioner of the Texas General Land Office.

Bids on School Land Board tracts offered for lease will be opened at the School Land Board meeting at 10:00 a.m. in the General Land Office, Austin, Texas. Subject to the right to reject any bid, the board will lease advertised tracts to the bidder offering the best bid meeting or exceeding the minimum bid. If identical bids for a tract are submitted by more than one bidder, and if those bids are the high bids received, all bids on that tract will be rejected. Bids received from unsuccessful bidders will be returned along with the 1½% sales fee. A sample of the oil and gas lease form for School Land Board tracts is included in this Notice for Bids.

By order of the School Land Board in its regular meeting on May 15, 2007:

Secretary

Commissioner, Texas General Land Office
and Chairman, School Land Board

The tracts are listed by geographical area with a minimum bid shown for each tract. For Gulf of Mexico acreage, the tracts are listed by offshore area with large or "L" tracts listed first, followed by small or "S" tracts. If you have any questions, please call the Mineral Leasing Division at either (512) 475-1512 or (512) 475-1542.

SURVEYED SCHOOL LAND

TERMS AND CONDITIONS

The royalty on all surveyed school land is 25% of the gross production of oil and/or gas, but can be reduced to:

- 20% if production, in paying quantities, is established, brought on line and sales thereof are commenced within the initial eighteen (18) months of the primary term of the lease.
- 22.5% if production, in paying quantities, is established, brought on line and sales thereof are commenced between the 19th and 24th month of the primary term of the lease.

If the initial well drilled is a dry hole, the lessee may receive the lower royalty rate as follows:

- 20% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 21st month, as provided for in the lease.
- 22.5% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 27th month, as provided for in the lease.

The primary term of the lease shall be five (5) years. The annual rental is \$5.00 per acre for the second and third year of the lease. For the fourth and fifth year of the lease, the annual rental will increase to \$25.00 per acre.

RIVERS, CREEKS, AND BAYOUS

TERMS AND CONDITIONS

The royalty on all rivers, creeks, lakes and bayous is 25% of the gross production of oil and/or gas, but can be reduced to:

- 20% if production, in paying quantities, is established, brought on line and sales thereof are commenced within the initial twelve (12) months of the primary term of the lease.
- 22.5% if production, in paying quantities, is established, brought on line and sales thereof are commenced between the 13th and 24th month of the primary term of the lease.

If the initial well drilled is a dry hole, the lessee may receive the lower royalty rate as follows:

- 20% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 15th month, as provided for in the lease.
- 22.5% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 27th month, as provided for in the lease.

The primary term of the lease shall be three (3) years. The annual rental thereon is fixed at \$5.00 per acre beginning with the second year of the lease.

SUBMERGED AREAS BAYS, LAKES, ISLANDS AND BAYOUS & GULF OF MEXICO

PERMANENT SCHOOL FUND OIL AND GAS TRACTS

TERMS AND CONDITIONS

The royalty on bays, lakes, islands, bayous (influenced by the tides), and the Gulf of Mexico is 25% of the gross production of oil and/or gas, but can be reduced to:

- 20% if production, in paying quantities, is established, brought on line and sales thereof are commenced within the initial twenty-four (24) months of the primary term of the lease.
- 22.5% if production, in paying quantities, is established, brought on line and sales thereof are commenced between the 25th and 48th month of the primary term of the lease.

If the initial well drilled is a dry hole, the lessee may receive the lower royalty rates as follows:

- 20% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 30th month, as provided for in the lease.
- 22.5% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 54th month as provided for in the lease.

The primary term of the leases shall be five (5) years. The annual rental thereon is fixed at \$10.00 per acre beginning with the second year of the lease.

TEXAS DEPARTMENT OF CRIMINAL JUSTICE TRACTS

TERMS AND CONDITIONS

The royalty on all Texas Department of Criminal Justice (TDCJ) tracts is 25% of the gross production of oil and/or gas, but can be reduced to:

- 20% if production, in paying quantities, is established, brought on line and sales thereof are commenced within the initial twelve (12) months of the primary term of the lease.
- 22.5% if production, in paying quantities, is established, brought on line and sales thereof are commenced between the 13th and 24th month of the primary term of the lease.

If the initial well drilled is a dry hole, the lessee may receive the lower royalty rate as follows:

- 20% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 15th month, as provided for in the lease.
- 22.5% if a second well is commenced and production, in paying quantities, can be established, brought on line and sales thereof are commenced by the end of the 27th month as provided for in the lease.

The primary term of the leases shall be three (3) years. The annual rental thereon is fixed at \$12.00 per net mineral acre beginning with the second year of the lease. Subject to the right to reject any bid, the TDCJ Board for Lease will lease advertised tracts to the highest bidder meeting or exceeding the minimum bid. All leases issued for TDCJ tracts shall be subject to the following surface use restrictions:

- No well location shall be made nor operations of any nature conducted within 300 feet from any building or detention fence located on the area leased without express permission of the Program Administrator for Land and Minerals Operations, and no operations of any kind are to be conducted on the remainder of the areas without first notifying the Program Administrator for Land and Minerals Operations.
- If lessee obtains a title examination of the land, a copy of the title opinion shall be furnished to the Program Admin. for Land and Minerals Operations within sixty (60) days after receipt of same by lessee.
- If lessee has a survey of the land made, lessee shall furnish the Program Administrator for Land and Minerals Operations with a copy of the field notes of the survey and map, if any, prior to commencement of drilling operations.
- All oil and gas leases must be recorded within sixty (60) days of issuance in the county where the property covered by such leases is situated. Additionally, upon release of any part of such oil and gas lease or termination thereof, a release describing same must be recorded in the county noted above. Copies of the recorded instruments are to be sent to the Program Administrator for Land and Minerals Operations and the Texas General Land Office.
- All vehicles entering TDCJ property are subject to search.
- No guns, no alcohol, no drugs, and no tobacco are allowed on TDCJ property.

For a copy of the lease form to be used for the TDCJ tracts or for additional information concerning TDCJ tracts, contact the Mineral Leasing Division at either (512) 475-1499 or (512) 475-1512 or Michael Corley with TDCJ at (936) 437-5418.

TEXAS PARKS AND WILDLIFE DEPARTMENT TRACT

TERMS AND CONDITIONS

The royalty on the Texas Parks and Wildlife Department (TPWD) tract is fixed at 25% of the gross production of oil and/or gas. The primary term of the leases shall be three (3) years. The annual rental is fixed at \$10.00 per net mineral acre beginning with the second year of the lease. Subject to the right to reject any bid, the TPWD Board for Lease will lease advertised tracts to the highest bidder meeting or exceeding the minimum bid.

All TPWD tracts shall be subject to the following surface use restrictions:

- Any provision herein to the contrary notwithstanding, it is agreed and understood that no entry shall be permitted on the surface of the leased lands. Any development of the land shall be by means of directional wells located off the leased land, or by pooling of said land with other land or leases as provided by Subchapter E, Chapter 52, Natural Resources Code.

For a copy of the lease form to be used for TPWD tracts or for additional information concerning TPWD tracts, contact the Mineral Leasing Division at either (512) 475-1499 or (512) 475-1512 or TPWD at (512) 389-4590.

GEO THERMAL ENERGY TRACTS

TERMS AND CONDITIONS

The royalty on all Geothermal Energy Leases (GEO) is 10% of the gross proceeds of an arm's-length sale. The primary term of the leases shall be ten (10) years. The annual rental thereon is fixed at \$3.00 per acre beginning with the second year of the lease, with the exception of the rental due on the fifth anniversary of the lease (for the sixth year of the lease), which shall be \$6.00 per acre. Subject to the right to reject any bid, the School Land Board will lease advertised tracts to the highest bidder meeting or exceeding the minimum bid. NOTE: Tracts may be subject to existing oil and gas leases and other encumbrances. The Geothermal Energy lessee must coordinate with other lessees and permittees to ensure that rights granted under such leases and permits are not unreasonably affected.

For a copy of the lease form to be used for GEO tracts or for additional information concerning the terms and conditions for GEO tracts, contact the Renewable Energy Division at either (512) 463-5028 or (512) 475-1372.

ABBREVIATIONS AND DEFINITIONS

AC - Acre(s)

NAVI DIST - NAVIGATION DISTRICT: Indicates that all or a portion of the tract lies within the boundaries of a navigation district. Bidders should contact the applicable governing authority for the navigation district and the General Land Office for surface use restrictions.

POL - PORTION OUTSIDE LEASE: Indicates that the acreage within the boundaries of the tract is available for lease save and except any portion included in a valid oil and/or gas lease. Lease information is available in the mineral file located in the Archives and Records Division of the General Land Office.

POU - PORTION OUTSIDE UNIT: Indicates that the acreage within the boundaries of the tract is available for lease save and except any portion included in a valid oil and/or gas unit. Unit information is available in the mineral file located in the Archives and Records Division of the General Land Office.

PT - PART: Bidders should contact the General Land Office for further information.

TMLL -THREE MARINE LEAGUE LINE: Denotes tracts that are adjacent to the Three Marine League Line. These tracts have been submitted to the MMS for the coordination of acreage.

WFAL - Denotes tracts that are WEST of the FEDERAL ADMINISTRATION LINE.

NOTE: Information printed in this Notice for Bids is provided in summary form for the purpose of soliciting bids to lease the subject tracts and should not be relied upon as the sole source of information regarding the tracts. Prospective bidders are advised to contact all governmental authorities with jurisdiction over a tract in order to ascertain its status and suitability for the bidder's intended use. No representation or warranty is

made with regard to the information set forth, or referenced, herein. In particular, even if bids are calculated on a per acre basis, no portion of a bid will be refunded should the actual acreage in a tract later be determined to be less than the acreage reflected herein.

The following is a sample lease form for bay and Gulf of Mexico tracts. For a sample copy of the lease form to be used for other land types, call (512) 475-1512. Area/Location maps shall be provided upon request. Please call (512) 475-1512 or (512) 475-1499 for additional information.

**SAMPLE
OIL AND GAS LEASE
NO. M-_____**

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

was, after being duly advertised, offered for lease on the **17th day of July, 2007**, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the **17th day of July, 2007**, hereinafter the "effective date" and it was found and determined that _____ whose address is _____, _____ had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

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

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

2. TERM: Subject to the other provisions hereof, this lease shall be for a term of **five (5)** years from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. DELAY RENTALS: If no well be commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of **Ten Dollars (\$10.00), per acre**, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or

tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

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

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

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

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

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

(1) On the basis of the highest market price of each product, during the same month in which such product is produced, or

(2) On the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

(E) VARIABLE ROYALTY: (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within twenty-four (24) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such twenty-four (24) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a six (6) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such six (6) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such six (6) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of twenty-four (24) months from the effective date hereof but prior to the expiration of forty-eight (48) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such twenty-four (24) month term during which Lessee may earn a reduced royalty rate of 22.5% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a six (6) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such six (6) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such six (6) month extension period.

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

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

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

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

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

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

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

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

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

described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

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

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

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

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

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

8. OFFSET WELLS: If oil and/or gas should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this lease, the Lessee shall,

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

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

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

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

facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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

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

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

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

(A) UPLANDS: Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of

any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

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

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

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

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

17. ASSIGNMENTS: The lease may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the lease, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All transfers must reference the lease by the file number and must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the lease, including any liabilities to the state for unpaid royalties.

18. RELEASES: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. LIEN: In accordance with N.R.C. Section 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by N.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of

Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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

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

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

23. REMOVAL OF EQUIPMENT: Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery,

appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of said Commissioner or his authorized representative.

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

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

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

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

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

29. VENUE: Lessor and lessee, including lessee's successors and assigns, hereby agree that venue for any dispute arising out of a provision of this lease, whether express or implied, regarding interpretation of this

lease, or relating in any way to this lease or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

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

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

LESSEE
BY: _____
TITLE: _____
DATE: _____

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

JERRY E. PATTERSON
COMMISSIONER, GENERAL LAND OFFICE

APPROVED
Contents _____
Legal _____
DC _____
Exec _____

(CORPORATION ACKNOWLEDGMENT)

STATE OF _____
COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the _____ day of _____, 2007.

Notary Public in and for _____

(INDIVIDUAL ACKNOWLEDGMENT)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2007

Notary Public in and for _____

SURVEYED SCHOOL LAND

MGL. NO.	COUNTY	DIST./DIR. FROM COUNTY SEAT	SEC. / TRACT	BLOCK	TSP	SURVEY	ACRES	PART / COMMENTS	MINIMUM BID
1	CULBERSON	39N75E	30	59	07S	T. & P. RY. CO.	550.10	E/2 & NW/4 (RELINQUISHMENT ACT TRACT - SURFACE OWNER UNLOCATABLE)	\$110,020.00
2	EASTLAND	14S50W	76	3		H. & T. C. RY. CO.	159.85	SE/4	\$11,988.75
3	HARRISON	17S54E				C. H. GEE	22.18		\$3,327.00
4	HARRISON	9W00				PUBLIC SCHOOL LAND	34.30		\$5,145.00
5	HOOD	15N65W				A.M. NELSON	17.68		\$35,360.00
6	HOOD	6N64W				GEORGE H. BOON	152.90		\$382,250.00
7	HOOD	13S51W				J.E. CRITES	48.60		\$97,200.00
8	HOOD	12S30W				W.P. BAILEY	53.64	S PT	\$107,280.00
9	HOOD	8N00				WILLIAM ATWOOD, JR.	18.50		\$55,500.00
10	JOHNSON	27N19.5E				JAMES WALLACE	3.00		\$9,000.00
11	LIMESTONE	11S08E	2			ELVIRA STOKES	16.30	N PT	\$4,890.00
12	LOVING	19N13W	8	54	01S	T. & P. RY. CO.	640.00		\$256,000.00
13	PALO PINTO	8S40E	30	A		T. & P. RY. CO.	160.00	SE/4	\$48,000.00
14	REEVES	25S71W	7	71		PUBLIC SCHOOL LAND	320.00	W/2	\$192,000.00
15	REEVES	11S46E	25	C6		PUBLIC SCHOOL LAND	120.00	N/2 & SE/4 OF NE/4	\$48,000.00
16	REEVES	11S46E	25	C6		PUBLIC SCHOOL LAND	160.00	SE/4	\$64,000.00
17	REEVES	10S55E	27	C6		PUBLIC SCHOOL LAND	40.00	SE/4 OF SE/4	\$16,000.00
18	REEVES	9S49E	9	C7		PUBLIC SCHOOL LAND	320.00	E/2	\$128,000.00
19	REEVES	8S45E	17	C7		PUBLIC SCHOOL LAND	40.00	NW/4 OF NW/4	\$16,000.00
20	REEVES	22N48W	2	55	04S	T. & P. RY. CO.	640.00		\$640,000.00
21	REEVES	20S33W	36	55	07S	T. & P. RY. CO.	689.60		\$413,760.00
22	REEVES	39N48W	30	57	02S	T. & P. RY. CO.	640.00		\$320,000.00
23	REEVES	38N48W	32	57	02S	T. & P. RY. CO.	640.00		\$320,000.00
24	REEVES	37N52W	6	57	03S	T. & P. RY. CO.	426.67	E/3 & W/3	\$213,335.00
25	SCURRY	10S50E	152	3		H. & T. C. RY. CO.	160.39	SW/4	\$16,039.00
26	TYLER	9N05W	1	1		G. B. & N. CO.	228.44	N/2 & SE/4 OF N/2 (TX FOREST SERVICE)	\$34,266.00
27	WARD	24S75W	150	34		H. & T. C. RY. CO.	80.00	NE/2 OF N/4	\$40,000.00
28	WARD	24S75W	162	34		H. & T. C. RY. CO.	80.00	NE/2 OF W/4	\$40,000.00
29	WARD	29S80W	208	34		H. & T. C. RY. CO.	120.00	E/4, S/4, & W/4 OF W/4	\$60,000.00

RIVERS, CREEKS, AND BAYOUS

MGL. NO.	COUNTY	AREA	TRACT	ACRES	DESCRIPTION	MINIMUM BID
30	JACKSON/VICTORIA	ARENOSA CREEK	2 -C	1.00	TRACT 2-C IS BOUND ON ITS UPSTREAM END BY A LINE BEARING GRID N 48 30' E AND PASSING THROUGH A POINT HAVING COORDINATES OF X=2,725,400 FEET AND Y=386,700 FEET, AND IS BOUND ON ITS DOWNSTREAM END BY A LINE BEARING GRID N 53 E AND PASSING THROUGH A POINT HAVING COORDINATES OF X=2,726,400 FEET AND Y=384,830 FEET, TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD 1927.	\$150.00
31	BOSQUE/JOHNSON/SOMERVELL	BRAZOS RIVER	1	320.00	TRACT 1 IS BOUND ON ITS UPSTREAM END BY A SOUTHWESTERLY EXTENSION OF THE SOUTHEAST LINE OF THE ALFRED FARQUHAR SURVEY, A-142, SOMERVELL COUNTY, AND A-271, JOHNSON COUNTY, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE SOUTHEAST LINE OF THE JOHN BROCKNER SURVEY, A-58, BOSQUE COUNTY.	\$960,000.00
32	BOSQUE/JOHNSON	BRAZOS RIVER	2	185.00	TRACT 2 IS BOUND ON ITS UPSTREAM END BY A NORTHEASTERLY EXTENSION OF THE SOUTHEAST LINE OF THE JOHN BROCKNER SURVEY, A-58, BOSQUE COUNTY, AND IS BOUND ON ITS DOWNSTREAM END BY A SOUTHWESTERLY EXTENSION OF THE SOUTHEAST LINE OF THE WILLIAM KINSEY SURVEY, A-1076, JOHNSON COUNTY.	\$555,000.00
33	FORT BEND	BRAZOS RIVER	7 -A	365.00	TRACT 7-A IS BOUND ON ITS UPSTREAM END BY A SOUTHERLY EXTENSION OF THE WEST LINE OF THE D. RANDON AND I. PENNINGTON LEAGUE, A-75, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHERLY EXTENSION OF THE EAST LINE OF THE JOHN FOSTER SURVEY, A-27, SAVE AND EXCEPT 10.869 ACRES WITHIN THE MOORE #1 AND #3 UNIT HELD FROM THE SURFACE TO 7,992 FEET (TVD), SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL FILE M-102406, CURRENTLY ON FILE IN THE ARCHIVES & RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS.	\$91,250.00
34	HOOD	BRAZOS RIVER	1	100.00	TRACT 1 IS BOUND ON ITS UPSTREAM END BY THE PARKER COUNTY LINE, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE A.J. BLACKBURN SURVEY, A-53.	\$300,000.00
35	HOOD	BRAZOS RIVER	2	185.00	TRACT 2 IS BOUND ON ITS UPSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE A.J. BLACKBURN SURVEY, A-53, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE MILAM COUNTY SCHOOL LAND SURVEY NO. 2, A-348.	\$555,000.00
36	HOOD	BRAZOS RIVER	3	190.00	TRACT 3 IS BOUND ON ITS UPSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE MILAM COUNTY SCHOOL LAND SURVEY NO. 2, A-348, AND IS BOUND ON ITS DOWNSTREAM END BY A SOUTHWESTERLY EXTENSION OF THE SOUTHEAST LINE OF THE MARTIN SETZER SURVEY, A-502.	\$570,000.00

RIVERS, CREEKS, AND BAYOUS

MGL. NO.	COUNTY	AREA	TRACT	ACRES	DESCRIPTION	MINIMUM BID
37	HOOD	BRAZOS RIVER	4	155.00	TRACT 4 IS BOUND ON ITS UPSTREAM END BY A SOUTHWESTERLY EXTENSION OF THE SOUTHEAST LINE OF THE MARTIN SETZER SURVEY, A-502, AND IS BOUND ON ITS DOWNSTREAM END BY A SOUTHWESTERLY EXTENSION OF THE NORTHWEST LINE OF THE GEO. W. LANG SURVEY, A-328.	\$465,000.00
38	HOOD	BRAZOS RIVER	5	220.00	TRACT 5 IS BOUND ON ITS UPSTREAM END BY A SOUTHWESTERLY EXTENSION OF THE NORTHWEST LINE OF THE GEO. W. LANG SURVEY, A-328, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE ALEXANDER O'BRIEN SURVEY, A-433.	\$660,000.00
39	HOOD/SOMERVELL	BRAZOS RIVER	9	200.00	TRACT 9 IS BOUND ON ITS UPSTREAM END BY A SOUTHEASTERLY EXTENSION OF THE NORTHEAST LINE OF THE ALEXANDER O'BRIEN SURVEY, A-433, HOOD COUNTY, AND IS BOUND ON ITS DOWNSTREAM END BY THE MILES DAVIS UNIT, SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL FILE M-103312, CURRENTLY ON FILE IN THE ARCHIVES & RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS.	\$600,000.00
40	HOOD/SOMERVELL	BRAZOS RIVER	10	130.00	TRACT 10 IS BOUND ON ITS UPSTREAM END BY THE MILES DAVIS UNIT, SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL FILE M-103312, CURRENTLY ON FILE IN THE ARCHIVES & RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE JOSE ANTONIO HERNANDEZ SURVEY, A-41, SOMERVELL COUNTY.	\$390,000.00
41	PARKER	BRAZOS RIVER	3	95.00	TRACT 3 IS BOUND ON ITS UPSTREAM END BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE E.B. CAMPBELL SURVEY, A-302, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE M. HUFFMAN SURVEY, A-562.	\$285,000.00
42	PARKER	BRAZOS RIVER	5 -A	40.00	TRACT 5-A IS BOUND ON ITS UPSTREAM END BY THE JACKSON-BRAZOS RIVER UNIT, SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL FILE M-94213, CURRENTLY ON FILE IN THE ARCHIVES & RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE E.B. CAMPBELL SURVEY, A-302.	\$120,000.00
43	PARKER	BRAZOS RIVER	5 -C	40.00	TRACT 5-C IS BOUND ON ITS UPSTREAM END BY AN EASTERLY EXTENSION OF THE NORTH LINE OF THE GEORGE ALLEN SURVEY, A-17, AND IS BOUND ON ITS DOWNSTREAM END BY THE JACKSON-BRAZOS RIVER UNIT, SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL FILE M-94213, CURRENTLY ON FILE IN THE ARCHIVES & RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS.	\$120,000.00

RIVERS, CREEKS, AND BAYOUS

MGL. NO.	COUNTY	AREA	TRACT	ACRES	DESCRIPTION	MINIMUM BID
44	PARKER	BRAZOS RIVER	6	50.00	TRACT 6 IS BOUND ON ITS UPSTREAM END BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE M. HUFFMAN SURVEY, A-562, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE JOHN MILES SURVEY, A-855.	\$150,000.00
45	PARKER	BRAZOS RIVER	12 -A	55.00	TRACT 12-A IS BOUND ON ITS UPSTREAM END BY A NORTHERLY EXTENSION OF THE WEST LINE OF THE JOHN MILES SURVEY, A-855, AND IS BOUND ON ITS DOWNSTREAM END BY THE PARKER COUNTY LINE.	\$165,000.00
46	HASKELL	BRAZOS RIVER, DOUBLE MOUNTAIN FORK OF	3 -A	75.00	TRACT 3-A IS BOUND ON ITS UPSTREAM END BY A WESTERLY EXTENSION OF THE SOUTH LINE OF SECTION 1, GEORGETOWN RY. CO. SURVEY, A-466, AND IS BOUND ON ITS DOWNSTREAM END BY AN EASTERLY EXTENSION OF THE NORTH LINE OF SECTION 6, B. B. B. & C. RY. CO. SURVEY, A-72.	\$5,625.00
47	JACKSON	NAVIDAD RIVER	6 -B	7.00	TRACT 6-B IS BOUND ON ITS UPSTREAM END BY AN EASTERLY EXTENSION OF THE NORTH LINE OF THE H.W. MUNSON SURVEY, A-57, AND IS BOUND ON ITS DOWNSTREAM END BY A LINE BEARING GRID WEST AND HAVING COORDINATES OF X=2,786,930 FEET AND Y=404,350 FEET, TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD 1927.	\$1,050.00
48	NEWTON	SABINE RIVER	7 -A	25.00	TRACT 7-A IS THAT PORTION OF THE SABINE RIVER OWNED BY THE STATE OF TEXAS THAT IS BOUND ON ITS UPSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE MATILDA RUNNELS SURVEY, A-14, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE DELILY DEARK SURVEY, A-1.	\$3,750.00
49	NEWTON	SABINE RIVER	11 -A	20.00	TRACT 11-A IS THAT PORTION OF THE SABINE RIVER OWNED BY THE STATE OF TEXAS THAT IS BOUND ON ITS UPSTREAM END BY A NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF THE DELILY DEARK SURVEY, A-1, AND IS BOUND ON ITS DOWNSTREAM END BY A NORTHEASTERLY EXTENSION OF THE SOUTHEAST LINE OF THE AFOREMENTIONED SURVEY.	\$3,000.00
50	POLK/SAN JACINTO	TRINITY RIVER	1 -G	115.00	TRACT 1-G IS BOUND ON ITS UPSTREAM END BY A LINE BEARING GRID S 4 W AND PASSING THROUGH A POINT HAVING COORDINATES OF X=3,703,910 FEET AND Y=366,530 FEET, AND IS BOUND ON ITS DOWNSTREAM END BY A LINE BEARING GRID S 2 30' W AND PASSING THROUGH A POINT HAVING COORDINATES OF X=3,720,120 FEET AND Y=362,330 FEET, TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, NAD 1927.	\$23,000.00
51	TARRANT	TRINITY RIVER, WEST FORK OF	3	40.00	TRACT 3 IS BOUND ON ITS UPSTREAM END BY AN EASTERLY EXTENSION OF THE SOUTH LINE OF THE B. SAMORA SURVEY, A-1384, AND IS BOUND ON ITS DOWNSTREAM END BY A WESTERLY EXTENSION OF THE SOUTH LINE OF THE SPENCER TOWNSEND SURVEY, A-1554.	\$200,000.00

RIVERS, CREEKS, AND BAYOUS

MGL. NO.	COUNTY	AREA	TRACT	ACRES	DESCRIPTION	MINIMUM BID
52	TARRANT	TRINITY RIVER, WEST FORK OF	3 -A	25.00	TRACT 3-A IS BOUND ON ITS UPSTREAM END BY A WESTERLY EXTENSION OF THE SOUTH LINE OF THE SPENCER TOWNSEND SURVEY, A-1554, AND IS BOUND ON ITS DOWNSTREAM END BY A WESTERLY EXTENSION OF THE SOUTH LINE OF THE JOSE MARIA BASQUIS SURVEY, A-85.	\$125,000.00

BAYS, LAKES, ISLANDS AND BAYOUS

MGL. NO.	AREA	COUNTY	TRACT	PART	ACRES	COMMENTS	MINIMUM BID
53	ARANSAS BAY	ARANSAS	184	ALL	320.00		\$96,000.00
54	ARANSAS BAY	ARANSAS	185	ALL	320.00		\$96,000.00
55	ARANSAS BAY	ARANSAS	186	ALL	320.00		\$96,000.00
56	ARANSAS BAY	ARANSAS	202	ALL	320.00		\$96,000.00
57	ARANSAS BAY	ARANSAS	203	ALL	320.00		\$96,000.00
58	ARANSAS BAY	ARANSAS	209	ALL	320.00		\$96,000.00
59	ARANSAS BAY	ARANSAS	210	ALL	320.00		\$96,000.00
60	ARANSAS BAY	ARANSAS	211	ALL	320.00		\$96,000.00
61	ARANSAS BAY	ARANSAS	212	ALL	320.00		\$96,000.00
62	CEDAR LAKE, ARM OF	BRAZORIA/MATAGORDA	4	ALL	195.00		\$39,000.00
63	CEDAR LAKES	BRAZORIA/MATAGORDA	1	POU	197.18		\$39,436.00
64	CEDAR LAKES	MATAGORDA	2	POU	545.82	INCLUDES A PORTION OF CEDAR CUT	\$109,164.00
65	COPANO BAY	REFUGIO	51	ALL	320.00		\$64,000.00
66	COPANO BAY	REFUGIO	52	ALL	320.00		\$64,000.00
67	COPANO BAY	ARANSAS/REFUGIO	60	ALL	320.00		\$64,000.00
68	COPANO BAY	ARANSAS/REFUGIO	61	ALL	320.00		\$64,000.00
69	COPANO BAY	ARANSAS/REFUGIO	90	ALL	485.00		\$97,000.00
70	COPANO BAY	ARANSAS/REFUGIO	94	ALL	320.00		\$64,000.00
71	COPANO BAY	ARANSAS	97	ALL	320.00		\$64,000.00
72	COPANO BAY	ARANSAS	98	ALL	320.00		\$64,000.00
73	COPANO BAY	ARANSAS	99	ALL	320.00		\$64,000.00
74	COPANO BAY	ARANSAS	112	ALL	320.00		\$64,000.00
75	COPANO BAY	ARANSAS	114	ALL	320.00		\$64,000.00
76	COPANO BAY	ARANSAS	117	ALL	455.00		\$91,000.00
77	COPANO BAY	ARANSAS	120	ALL	200.00		\$40,000.00
78	COPANO BAY	ARANSAS	121	ALL	275.00		\$55,000.00
79	COPANO BAY	ARANSAS	122	ALL	320.00	INCL GRASS ISLAND	\$64,000.00
80	COW TRAP LAKE	BRAZORIA	1	ALL	10.00		\$2,000.00
81	COW TRAP LAKE	BRAZORIA	2	ALL	340.00		\$68,000.00

BAYS, LAKES, ISLANDS AND BAYOUS

MGL. NO.	AREA	COUNTY	TRACT	PART	ACRES	COMMENTS	MINIMUM BID
82	COW TRAP LAKE	BRAZORIA	3	ALL	255.00		\$51,000.00
83	GALVESTON BAY	CHAMBERS	126	POU	280.00	CHAMBERS & LIBERTY CO NAVI DIST, ATKINSON ISLAND	\$84,000.00
84	GALVESTON BAY	CHAMBERS	127	SW/2	320.00		\$96,000.00
85	SAN ANTONIO BAY	CALHOUN	82	N/2	320.00		\$48,000.00
86	SAN ANTONIO BAY	CALHOUN	82	S/2	320.00		\$48,000.00
87	SAN ANTONIO BAY	CALHOUN	83	N/2	320.00		\$48,000.00
88	SAN ANTONIO BAY	CALHOUN	83	S/2	320.00		\$48,000.00
89	SAN ANTONIO BAY	CALHOUN	118	N/320	320.00		\$48,000.00
90	SAN ANTONIO BAY	CALHOUN	119	ALL	550.00		\$82,500.00
91	SAN ANTONIO BAY	CALHOUN	120	N/2	320.00		\$48,000.00
92	SAN ANTONIO BAY	CALHOUN	120	S/2	320.00		\$48,000.00
93	SAN ANTONIO BAY	CALHOUN	121	N/2	320.00		\$48,000.00
94	SAN ANTONIO BAY	CALHOUN	121	S/2	320.00		\$48,000.00
95	SAN ANTONIO BAY	CALHOUN	143	S/2	320.00		\$48,000.00
96	SAN ANTONIO BAY	CALHOUN	144	ALL	750.00		\$112,500.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
HIGH ISLAND	97	9 L	N/2	NE/4		JEFFERSON	720.00	\$216,000.00
	98	9 L	S/2	NE/4		JEFFERSON	720.00	\$216,000.00
	99	9 L	N/2	SE/4		JEFFERSON	720.00	\$216,000.00
	100	9 L	S/2	SE/4		JEFFERSON	720.00	\$216,000.00
	101	10 L	N/2	NW/4		JEFFERSON	720.00	\$216,000.00
	102	10 L	S/2	NW/4		JEFFERSON	720.00	\$216,000.00
	103	62 L	N/2	NE/4		GALVESTON	720.00	\$108,000.00
	104	62 L	S/2	NE/4		GALVESTON	720.00	\$108,000.00
	105	62 L	N/2	NW/4		GALVESTON	720.00	\$108,000.00
	106	62 L	S/2	NW/4		GALVESTON	720.00	\$108,000.00
	107	62 L	N/2	SE/4		GALVESTON	720.00	\$108,000.00
	108	62 L	S/2	SE/4		GALVESTON	720.00	\$108,000.00
	109	62 L	N/2	SW/4		GALVESTON	720.00	\$108,000.00
	110	62 L	S/2	SW/4		GALVESTON	720.00	\$108,000.00
	111	63 L	N/2	NE/4		GALVESTON	720.00	\$108,000.00
	112	63 L	S/2	NE/4		GALVESTON	720.00	\$108,000.00
	113	63 L	N/2	NW/4		GALVESTON	720.00	\$108,000.00
	114	63 L	S/2	NW/4		GALVESTON	720.00	\$108,000.00
	115	63 L	N/720	PT OF SE/4	NORTH OF TMLL	GALVESTON	720.00	\$108,000.00
	116	63 L	S/528.48	PT OF SE/4	NORTH OF TMLL	GALVESTON	528.48	\$79,272.00
	117	63 L	N/2	SW/4		GALVESTON	720.00	\$108,000.00
	118	63 L	S/2	SW/4		GALVESTON	720.00	\$108,000.00
	119	64 L	N/2	NW/4		CHAMBERS/GALVESTON	720.00	\$108,000.00
	120	64 L	S/2	NW/4		CHAMBERS/GALVESTON	720.00	\$108,000.00
	121	64 L	N/720	PT OF NE/4		CHAMBERS/JEFFERSON	720.00	\$108,000.00
	122	64 L	S/610.29	PT OF NE/4		CHAMBERS/JEFFERSON	610.29	\$91,543.50
	123	64 L	ALL	PT OF SE/4	NORTH OF TMLL	CHAMBERS/JEFFERSON	58.89	\$8,833.50
	124	64 L	ALL	PT OF SW/4		CHAMBERS/GALVESTON	550.36	\$82,554.00
	125	65 L	ALL	PT OF NE/4, NW/4		JEFFERSON	851.57	\$127,735.50
	126	96 L	ALL	PT OF NE/4, NW/4	NORTH OF TMLL	GALVESTON	547.99	\$82,198.50
	127	97 L	N/2	NW/4		GALVESTON	720.00	\$108,000.00
	128	97 L	S/2	NW/4		GALVESTON	720.00	\$108,000.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
HIGH ISLAND	129	97 L	N/720	PT OF NE/4, SE/4		GALVESTON	720.00	\$108,000.00
	130	97 L	S/520.94	PT OF NE/4, SE/4	NORTH OF TMLL	GALVESTON	520.94	\$78,141.00
GALVESTON	131	97 L	ALL	PT OF SW/4		GALVESTON	508.92	\$76,338.00
	132	337 S	N/2			BRAZORIA	320.00	\$64,000.00
	133	337 S	S/2			BRAZORIA	320.00	\$64,000.00
	134	338 S	N/2			BRAZORIA	320.00	\$64,000.00
	135	338 S	S/2			BRAZORIA	320.00	\$64,000.00
	136	339 S	N/2			BRAZORIA	320.00	\$64,000.00
	137	339 S	S/2			BRAZORIA	320.00	\$64,000.00
	138	369 S	N/2			BRAZORIA	320.00	\$96,000.00
	139	369 S	S/2			BRAZORIA	320.00	\$96,000.00
	140	370 S	N/2			BRAZORIA	320.00	\$96,000.00
BRAZOS	141	370 S	S/2			BRAZORIA	320.00	\$96,000.00
	142	368 L	N/2	NW/4		MATAGORDA	720.00	\$144,000.00
	143	368 L	S/2	NW/4		MATAGORDA	720.00	\$144,000.00
	144	368 L	N/2	SW/4		MATAGORDA	720.00	\$144,000.00
	145	368 L	S/2	SW/4		MATAGORDA	720.00	\$144,000.00
	146	369 L	S/2	SE/4		MATAGORDA	720.00	\$144,000.00
	147	407 S	N/315			BRAZORIA	315.00	\$63,000.00
	148	407 S	S/320			BRAZORIA	320.00	\$64,000.00
	149	408 S	N/2 OF S/640			BRAZORIA	320.00	\$64,000.00
	150	408 S	N/235			BRAZORIA	235.00	\$47,000.00
	151	408 S	S/2 OF S/640			BRAZORIA	320.00	\$64,000.00
	152	409 S	N/2			BRAZORIA	320.00	\$64,000.00
	153	409 S	S/2			BRAZORIA	320.00	\$64,000.00
	154	410 S	N/2			BRAZORIA	320.00	\$64,000.00
	155	410 S	S/2			BRAZORIA	320.00	\$64,000.00
	156	411 S	N/2			BRAZORIA	320.00	\$64,000.00
	157	411 S	S/2			BRAZORIA	320.00	\$64,000.00
	158	412 S	N/2			BRAZORIA	320.00	\$64,000.00
	159	412 S	S/2			BRAZORIA	320.00	\$64,000.00
	160	413 S	N/2			BRAZORIA	320.00	\$64,000.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
BRAZOS	161	413 S	S/2			BRAZORIA	320.00	\$64,000.00
	162	415 S	N/2			BRAZORIA	320.00	\$64,000.00
	163	415 S	S/2			BRAZORIA	320.00	\$64,000.00
	164	416 S	N/2			BRAZORIA	320.00	\$64,000.00
	165	416 S	S/2			BRAZORIA	320.00	\$64,000.00
	166	417 S	N/2			BRAZORIA	320.00	\$64,000.00
	167	417 S	S/2			BRAZORIA	320.00	\$64,000.00
	168	418 S	N/2			BRAZORIA	320.00	\$64,000.00
	169	418 S	S/2			BRAZORIA	320.00	\$64,000.00
	170	419 S	N/2			BRAZORIA	320.00	\$64,000.00
	171	419 S	S/2			BRAZORIA	320.00	\$64,000.00
	172	420 S	N/2 OF S/640			BRAZORIA	320.00	\$64,000.00
	173	420 S	N/460			BRAZORIA	460.00	\$92,000.00
	174	420 S	S/2 OF S/640			BRAZORIA	320.00	\$64,000.00
	175	421 S	N/365			BRAZORIA/MATAGORDA	365.00	\$73,000.00
	176	421 S	S/320			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	177	422 S	N/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	178	422 S	N/285			MATAGORDA	285.00	\$57,000.00
	179	422 S	S/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	180	423 S	N/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	181	423 S	S/2			MATAGORDA	320.00	\$64,000.00
	182	424 S	N/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	183	424 S	S/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	184	425 S	N/2			BRAZORIA	320.00	\$64,000.00
	185	425 S	S/2			BRAZORIA	320.00	\$64,000.00
	186	426 S	N/2			BRAZORIA	320.00	\$64,000.00
	187	426 S	S/2			BRAZORIA	320.00	\$64,000.00
	188	427 S	N/2			BRAZORIA	320.00	\$64,000.00
	189	427 S	S/2			BRAZORIA	320.00	\$64,000.00
	190	428 S	N/2			BRAZORIA	320.00	\$64,000.00
	191	428 S	S/2			BRAZORIA	320.00	\$64,000.00
	192	429 S	N/2			BRAZORIA	320.00	\$64,000.00
	193	429 S	S/2			BRAZORIA	320.00	\$64,000.00
	194	430 S	N/2			BRAZORIA	320.00	\$64,000.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
BRAZOS	195	430 S	S/2			BRAZORIA	320.00	\$64,000.00
	196	431 S	N/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	197	431 S	S/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	198	432 S	N/2			MATAGORDA	320.00	\$64,000.00
	199	432 S	S/2			MATAGORDA	320.00	\$64,000.00
	200	433 S	N/2			MATAGORDA	320.00	\$64,000.00
	201	433 S	S/2			MATAGORDA	320.00	\$64,000.00
	202	434 S	N/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	203	434 S	N/525			MATAGORDA	525.00	\$105,000.00
	204	434 S	S/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	205	435 S	N/440			MATAGORDA	440.00	\$88,000.00
	206	435 S	S/320			MATAGORDA	320.00	\$64,000.00
	207	436 S	N/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	208	436 S	N/350			MATAGORDA	350.00	\$70,000.00
	209	436 S	S/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	210	437 S	N/2			MATAGORDA	320.00	\$64,000.00
	211	437 S	S/2			MATAGORDA	320.00	\$64,000.00
	212	438 S	N/2			MATAGORDA	320.00	\$64,000.00
	213	438 S	S/2			MATAGORDA	320.00	\$64,000.00
	214	439 S	N/2			MATAGORDA	320.00	\$64,000.00
	215	439 S	S/2			MATAGORDA	320.00	\$64,000.00
	216	440 S	N/2			MATAGORDA	320.00	\$64,000.00
	217	440 S	S/2			MATAGORDA	320.00	\$64,000.00
	218	441 S	N/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	219	441 S	S/2			MATAGORDA	320.00	\$64,000.00
	220	442 S	N/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	221	442 S	S/2			BRAZORIA/MATAGORDA	320.00	\$64,000.00
	222	443 S	N/2			BRAZORIA	320.00	\$64,000.00
	223	443 S	S/2			BRAZORIA	320.00	\$64,000.00
	224	446 S	N/2			MATAGORDA	320.00	\$64,000.00
	225	447 S	N/2			MATAGORDA	320.00	\$64,000.00
	226	447 S	S/2			MATAGORDA	320.00	\$64,000.00
	227	448 S	N/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	228	448 S	N/595			MATAGORDA	595.00	\$119,000.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
BRAZOS	229	448 S	S/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	230	449 S	S/320			MATAGORDA	320.00	\$64,000.00
	231	451 S	S/2 OF S/640			MATAGORDA	320.00	\$64,000.00
	232	452 S	N/2			MATAGORDA	320.00	\$64,000.00
	233	452 S	S/2			MATAGORDA	320.00	\$64,000.00
	234	453 S	N/2			MATAGORDA	320.00	\$64,000.00
	235	453 S	S/2			MATAGORDA	320.00	\$64,000.00
	236	454 S	N/2			MATAGORDA	320.00	\$64,000.00
	237	454 S	S/2			MATAGORDA	320.00	\$64,000.00
	238	455 S	S/2			MATAGORDA	320.00	\$64,000.00
	239	456 S	S/2			MATAGORDA	320.00	\$64,000.00
	240	458 S	N/2			MATAGORDA	320.00	\$64,000.00
	241	458 S	S/2			MATAGORDA	320.00	\$64,000.00
	242	459 S	N/2			MATAGORDA	320.00	\$64,000.00
	243	459 S	S/2			MATAGORDA	320.00	\$64,000.00
	244	460 S	N/2			MATAGORDA	320.00	\$64,000.00
	245	460 S	S/2			MATAGORDA	320.00	\$64,000.00
	246	461 S	N/2			MATAGORDA	320.00	\$64,000.00
	247	461 S	S/2			MATAGORDA	320.00	\$64,000.00
	248	462 S	N/2			MATAGORDA	320.00	\$64,000.00
	249	462 S	S/2			MATAGORDA	320.00	\$64,000.00
	250	463 S	N/2			MATAGORDA	320.00	\$64,000.00
	251	463 S	S/2			MATAGORDA	320.00	\$64,000.00
MATAGORDA ISLAND	252	560 L	S/2	NE/4		CALHOUN	720.00	\$72,000.00
	253	560 L	N/2	SE/4		CALHOUN	720.00	\$72,000.00
	254	560 L	S/2	SE/4		CALHOUN	720.00	\$72,000.00
	255	560 L	N/2	SW/4		CALHOUN	720.00	\$72,000.00
	256	560 L	S/2	SW/4		CALHOUN	720.00	\$72,000.00
	257	593 L	N/2	NE/4		CALHOUN	720.00	\$72,000.00
	258	593 L	S/2	NE/4		CALHOUN	720.00	\$72,000.00
	259	593 L	N/2	NW/4		CALHOUN	720.00	\$72,000.00
	260	593 L	S/2	NW/4		CALHOUN	720.00	\$72,000.00
	261	593 L	N/2	SE/4		CALHOUN	720.00	\$72,000.00
	262	593 L	N/2	SW/4		CALHOUN	720.00	\$72,000.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
MATAGORDA ISLAND	263	594 L	N/2	NE/4		CALHOUN	720.00	\$72,000.00
	264	594 L	S/2	NE/4		CALHOUN	720.00	\$72,000.00
	265	594 L	N/2	NW/4		CALHOUN	720.00	\$72,000.00
	266	594 L	S/2	NW/4		CALHOUN	720.00	\$72,000.00
	267	594 L	N/2	SE/4		CALHOUN	720.00	\$72,000.00
	268	594 L	S/2	SE/4		CALHOUN	720.00	\$72,000.00
	269	594 L	N/2	SW/4		CALHOUN	720.00	\$72,000.00
	270	594 L	S/2	SW/4		CALHOUN	720.00	\$72,000.00
	271	596 L	N/2 (PT)	NE/4	40 AC. IN THE FORM OF A SQUARE AROUND WELL 3 (R.R.C. ID. NOS. 79076 & 79121), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
	272	596 L	N/2 (PT)	NE/4	40 AC. IN THE FORM OF A SQUARE AROUND WELL 4 (R.R.C. I.D. NOS. 104885 &104886), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
	273	598 L	N/2	SE/4		CALHOUN	720.00	\$72,000.00
	274	598 L	S/2	SE/4		CALHOUN	720.00	\$72,000.00
	275	599 L	N/2	NE/4		CALHOUN	720.00	\$72,000.00
	276	599 L	S/2	NE/4		CALHOUN	720.00	\$72,000.00
	277	599 L	N/2	NW/4		CALHOUN	720.00	\$72,000.00
	278	599 L	S/2	NW/4		CALHOUN	720.00	\$72,000.00
	279	599 L	ALL	PT OF SE/4	NORTH OF TMLL	CALHOUN	589.82	\$58,982.00
	280	599 L	N/720	PT OF SW/4	NORTH OF TMLL	CALHOUN	720.00	\$72,000.00
	281	599 L	S/635.8	PT OF SW/4	NORTH OF TMLL	CALHOUN	635.80	\$63,580.00
	282	624 L	ALL	PT OF NW/4	NORTH OF TMLL	CALHOUN	142.88	\$14,288.00
	283	625 L	ALL	PT OF NE/4	NORTH OF TMLL	CALHOUN	955.60	\$95,560.00
	284	625 L	N/2	PT OF NW/4		CALHOUN	720.00	\$180,000.00
	285	625 L	S/2	PT OF NW/4	NORTH OF TMLL	CALHOUN	720.00	\$180,000.00
	286	625 L	ALL	PT OF SW/4, SE/4		CALHOUN	513.74	\$128,435.00
	287	626 L	N/2	NE/4		CALHOUN	720.00	\$180,000.00
	288	626 L	S/2	NE/4		CALHOUN	720.00	\$180,000.00
	289	626 L	S/2	NW/4		CALHOUN	720.00	\$180,000.00
	290	626 L	N/720	PT OF SE/4	NORTH OF TMLL	CALHOUN	720.00	\$180,000.00
	291	626 L	S/645.33	PT OF SE/4	NORTH OF TMLL	CALHOUN	645.33	\$161,332.50
	292	626 L	N/2	SW/4		CALHOUN	720.00	\$180,000.00

GULF OF MEXICO

OFFSHORE AREA	MGL. NO.	TRACT	PART	QUARTER	COMMENTS	COUNTY	ACRES	MINIMUM BID
MATAGORDA ISLAND	293	626 L	S/2	SW/4		CALHOUN	720.00	\$180,000.00
	294	627 L	N/2	SE/4		CALHOUN	720.00	\$108,000.00
	295	627 L	S/2	SE/4		CALHOUN	720.00	\$108,000.00
	296	627 L	N/2	SW/4		CALHOUN	720.00	\$108,000.00
	297	627 L	S/2	SW/4		CALHOUN	720.00	\$108,000.00
	298	631 L	N/2	NE/4		CALHOUN	720.00	\$108,000.00
	299	631 L	N/2	NW/4		CALHOUN	720.00	\$108,000.00
	300	631 L	S/2	NW/4		CALHOUN	720.00	\$108,000.00
	301	631 L	N/2	SW/4		CALHOUN	720.00	\$108,000.00
	302	631 L	S/2	SW/4		CALHOUN	720.00	\$108,000.00
	303	632 L	ALL	PT OF NE/4, NW/4, SW/4	NORTH OF TMLL	CALHOUN	1439.12	\$359,780.00
	304	657 L	ALL	PT OF NE/4, NW/4	NORTH OF TMLL	CALHOUN	688.80	\$103,320.00
	305	663 S	N/2			CALHOUN	320.00	\$32,000.00
	306	663 S	S/2			CALHOUN	320.00	\$32,000.00
	307	680 S	N/2			CALHOUN	320.00	\$32,000.00
	308	680 S	S/2			CALHOUN	320.00	\$32,000.00
	309	707 S	N/2 (PT)		40 AC. IN THE FORM OF A SQUARE AROUND WELL 1 (R.R.C. I.D. NO. 60757), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
	310	707 S	N/2 (PT)		40 AC. IN THE FORM OF A SQUARE AROUND WELL 5 (R.R.C. I.D. NO. 147076), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
	311	719 S	S/2 (PT)		40 AC. IN THE FORM OF A SQUARE AROUND WELL 1 (R.R.C. I.D. NOS. 131844 & 132259), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
	312	770 S	N/2 (PT)		40 AC. IN THE FORM OF A SQUARE AROUND WELL 4 (R.R.C. I.D. NO. 105015), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
	313	771 S	N/2 (PT)		40 AC. IN THE FORM OF A SQUARE AROUND WELL 1 (R.R.C. I.D. NO. 108845), DEPTH LIMITED TO 5000 FEET	CALHOUN	40.00	\$4,000.00
MUSTANG ISLAND	314	818 L	S/2	NW/4		KLEBERG	720.00	\$216,000.00

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

MGL. NO.	AREA	PART	TRACT	COUNTY	ACRES	DESCRIPTION	MINIMUM BID
315	COFFIELD/BETO/MICHAEL UNIT	ALL	7	ANDERSON	8.17	BEING 16.341 SURFACE ACRES 8.17 MINERAL ACRES, REFERRED TO AS TRACT 35 OF LEASE BLOCK 7, LOCATED IN THE C.C. CAMPBELL SURVEY AND THE MANUEL RIONDA GRANT A-58, ANDERSON COUNTY, TEXAS AND FURTHER DESCRIBED AS THE SAME LAND DESCRIBED AS TRACT 3 IN THAT CERTAIN DEED DATED JANUARY 31, 1966, FROM J.W. MCFARLANE TO THE TEXAS DEPARTMENT OF CORRECTION, RECORDED IN VOLUME 713, PAGE 453, DEED RECORDS, ANDERSON COUNTY, TEXAS.	\$2,451.00
316	COFFIELD/BETO/MICHAEL UNIT	ALL	7	ANDERSON	7.99	BEING 15.98 SURFACE ACRES 7.99 MINERAL ACRES, REFERRED TO AS TRACT 37 OF LEASE BLOCK 7, LOCATED IN THE C.C. CAMPBELL SURVEY AND THE MANUEL RIONDA GRANT A-58, ANDERSON COUNTY, TEXAS AND FURTHER DESCRIBED AS THE SAME LAND DESCRIBED AS TRACT 5 IN THAT CERTAIN DEED DATED JANUARY 31, 1966, FROM J.W. MCFARLANE TO THE TEXAS DEPARTMENT OF CORRECTION, RECORDED IN VOLUME 713, PAGE 453, DEED RECORDS, ANDERSON COUNTY, TEXAS.	\$2,397.00
317	COFFIELD/BETO/MICHAEL UNIT	ALL	7	ANDERSON	7.97	BEING 31.89 SURFACE ACRES 7.9725 MINERAL ACRES, REFERRED TO AS TRACT 38 OF LEASE BLOCK 7, LOCATED IN THE C.C. CAMPBELL SURVEY AND THE MANUEL RIONDA GRANT A-58, ANDERSON COUNTY, TEXAS AND FURTHER DESCRIBED AS THE SAME LAND DESCRIBED AS TRACT 6 IN THAT CERTAIN DEED DATED JANUARY 31, 1966, FROM J.W. MCFARLANE TO THE TEXAS DEPARTMENT OF CORRECTION, RECORDED IN VOLUME 713, PAGE 453, DEED RECORDS, ANDERSON COUNTY, TEXAS.	\$2,391.75
318	COFFIELD/BETO/MICHAEL UNIT		7	ANDERSON	31.25	BEING 125 SURFACE ACRES 31.25 MINERAL ACRES, REFERRED AS TRACTS 70 AND 71 IN LEASE BLOCK 7, LOCATED IN THE C.C. CAMPBELL SURVEY A-7, ANDERSON COUNTY, TEXAS, AND FURTHER DESCRIBED IN A DEED DATED SEPTEMBER 13, 1967, FROM J.B. EDWARDS AND WIFE, LUCY EDWARDS TO THE TEXAS DEPARTMENT OF CORRECTIONS, RECORDED IN VOL. 739 PAGE 809, DEED RECORDS, ANDERSON COUNTY, TEXAS.	\$9,375.00
319	EASTHAM UNIT		A	HOUSTON	493.16	PART OF THE CHARLES RICHARDS SURVEY, A-866	\$73,974.00
320	EASTHAM UNIT		B	HOUSTON	456.00	ALL OF TRACT B LOCATED IN THE CHARLES RICHARDS SURVEY, A-866, SAVE AND EXCEPT 80 ACRES IN MINERAL LEASE FILE M-93492, CURRENTLY ON FILE IN THE ARCHIVES AND RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS, SAID 80 ACRES BEING IN TWO 40 ACRE TRACTS IN THE FORM OF A SQUARE AROUND TWO PRODUCING WELLS BEARING THE API #42-225-00688 AND API #42-225-30664.	\$68,400.00

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

MGL. NO.	AREA	PART	TRACT	COUNTY	ACRES	DESCRIPTION	MINIMUM BID
321	EASTHAM UNIT		C	HOUSTON	475.16	ALL OF TRACT C LOCATED IN THE CHARLES RICHARDS SURVEY, A-866 AND THE C. COLCOTT SURVEY, A-286, SAVE AND EXCEPT 53.34 ACRES IN THE CHAMPION INTERNATIONAL CORP. D-2 GAS UNIT, SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL LEASE FILE M-94500, CURRENTLY ON FILE IN THE ARCHIVES AND RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS.	\$71,274.00
322	EASTHAM UNIT		1	HOUSTON	752.80	E. FITZSIMMONS A-416 AND D. EASTHAM A-1323	\$112,920.00
323	EASTHAM UNIT		2	HOUSTON	809.37	C. E. MILON A-716 AND R. J. CAMP A-1275	\$121,405.50
324	EASTHAM UNIT		4	HOUSTON	533.34	ALL OF TRACT 4 LOCATED IN THE M. J. LEDBETTER SURVEY, A-678 HOUSTON COUNTY, TEXAS; SAVE AND EXCEPT 106.66 ACRES IN THE CHAMPION INTERNATIONAL CORP. D-2 GAS UNIT, SAID UNIT BEING MORE PARTICULARLY DESCRIBED IN MINERAL LEASE FILE M-94500, CURRENTLY ON FILE IN THE ARCHIVES AND RECORDS DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS.	\$80,001.00
325	EASTHAM UNIT		5	HOUSTON	1714.19	GEORGE ROBBINS A-74	\$257,128.50
326	EASTHAM UNIT		6	HOUSTON	1394.19	ALL OF TRACT 6 LOCATED IN THE GEORGE ROBBINS SURVEY A-74, HOUSTON COUNTY, TEXAS; SAVE AND EXCEPT 320 ACRES INCLUDED IN A PRORATION UNIT ON FILE IN MINERAL LEASE FILE M-83983, CURRENTLY ON FILE IN THE ARCHIVES AND RECORDS DIVISION OF THE TEXAS GENERAL OFFICE, AUSTIN, TEXAS.	\$209,128.50
327	EASTHAM UNIT		7	HOUSTON	1000.00	GEORGE ROBBINS A-74	\$150,000.00
328	EASTHAM UNIT		8	HOUSTON	3304.33	GORDIANA BADILLA A-4	\$495,649.50
329	EASTHAM UNIT		9	HOUSTON	250.78	WM. FORD A-408	\$37,617.00
330	EASTHAM UNIT		10	HOUSTON	895.55	HENRY GOLDMAN A-434(H) A-701(W)	\$134,332.50
331	EASTHAM UNIT		11	HOUSTON	311.00	WM. FORD A-409 AND J. COUGHRAN A-104(W)	\$46,650.00
332	FERGUSON UNIT		1	MADISON	606.63	THOMAS LAMB A-144	\$90,994.50
333	FERGUSON UNIT		2	MADISON	209.98	PART OF SAMUEL BRIMBERRY A-49	\$31,497.00
334	FERGUSON UNIT		3	MADISON	488.50	WM. WALKER SURVEY A-233	\$73,275.00
335	FERGUSON UNIT		4	MADISON	413.01	JACOB KENDIG A-133	\$61,951.50
336	FERGUSON UNIT		5	MADISON	225.77	I. WORSHAM A-236	\$33,865.50
337	FERGUSON UNIT		6	MADISON	468.04	PART OF J. H. PIERSON A-178	\$70,206.00
338	FERGUSON UNIT		7	MADISON	320.00	MARK RAWLINS SURVEY A-197	\$48,000.00

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

MGL. NO.	AREA	PART	TRACT	COUNTY	ACRES	DESCRIPTION	MINIMUM BID
339	FERGUSON UNIT		8	MADISON	640.00	SAMUEL MCGOWAN SURVEY A-171	\$96,000.00
340	FERGUSON UNIT		9	MADISON	640.00	PETER J. MCLEAN SURVEY A-157	\$96,000.00
341	FERGUSON UNIT		10	MADISON	323.49	PART OF NANCY RHODES A-198; T. J. CARSON A-77; GEORGE YOUNG A-250; AND ALL OF THE H. BURTIS A-256	\$48,523.50
342	LUTHER UNIT	ALL		GRIMES	964.70	BEING THAT PART OF THE LUTHER UNIT, GRIMES COUNTY, TEXAS, CONTAINING 3858.78 SURFACE ACRES 964.70 MINERAL ACRES APPROX. AND FURTHER DESCRIBED IN 6 TRACTS AS FOLLOWS: TRACT 1 - BEING 398.221 ACRES, MORE OR LESS, IN THE ISSAC JACKSON SURVEY, A-32 AND ALSO IN THE JAMES WALLACE LEAGUE A-59, RECORDED IN A DEED FROM GRACE HOLIDAY ET VIR TOMMY HOLIDAY, AND GRACE ANN MARETT HOLIDAY, TRUSTEE FOR LESLEY HOLIDAY AND DALE MARETT HOLIDAY TO THE STATE OF TEXAS, DATED MARCH 30, 1981, RECORDED IN VOL. 416 PAGE 523, IN THE DEED RECORDS OF GRIMES COUNTY, TEXAS. TRACT 2 - BEING 541.614 ACRES, MORE OR LESS, IN THE ISSAC JACKSON SURVEY, A-32, RECORDED IN A DEED FROM GRACE HOLIDAY ET VIR TOMMY HOLIDAY, AND GRACE ANN MARETT HOLIDAY, TRUSTEE FOR LESLEY HOLIDAY AND DALE MARETT HOLIDAY TO THE STATE OF TEXAS, DATED MARCH 30, 1981, RECORDED IN VOL. 416, PAGE 523, IN THE DEED RECORDS OF GRIMES COUNTY, TEXAS. TRACT 3 - BEING 646.556, ACRES, MORE OR LESS, IN THE ISSAC JACKSON SURVEY, A-32 AND ALSO IN THE JOHN MOORE LEAGUE, A-46, RECORDED IN A DEED FROM LENOIR M. JOSEY, ROBERT A. JOSEY AND LENOIR M. JOSEY INC. TO THE STATE OF TEXAS, DATED MARCH 30, 1981, RECORDED IN VOL. 416, PAGE 532, IN THE DEED RECORDS OF GRIMES COUNTY, TEXAS. TRACT 4 - BEING 1844.136 ACRES, MORE OR LESS, IN THE ISSAC JACKSON SURVEY, A-32 AND ALSO IN THE JOHN MOORE LEAGUE, A-46, RECORDED IN A DEED FROM LENOIR M. JOSEY, ROBERT A. JOSEY AND LENOIR M. JOSEY INC. TO THE STATE OF TEXAS, DATED MARCH 30, 1981, RECORDED IN VOL. 416, PAGE 532, IN THE DEED RECORDS OF GRIMES COUNTY, TEXAS. TRACT 5 - BEING 120.576 ACRES, MORE OR LESS, OUT OF THE ISAAC JACKSON SURVEY, A-32, BEING THE SAME LAND DESCRIBED FROM ROBERT H. HARRIS ET UX BETTY S. HARRIS, TO THE STATE OF TEXAS DATED MARCH 31, 1981 AND RECORDED IN VOL. 416, PAGE 546, OF THE DEED RECORDS OF GRIMES COUNTY, TEXAS. TRACT 6 - BEING 307.674 ACRES, MORE OR LESS, OUT OF THE ISSAC JACKSON SURVEY, A-32, BEING THE SAME LAND DESCRIBED FROM ROBERT H. HARRIS ET UX BETTY S. HARRIS, TO THE STATE OF TEXAS DATED MARCH 31, 1981 AND RECORDED IN VOL. 416, PAGE 546, OF THE DEED RECORDS OF GRIMES COUNTY, TEXAS.	\$144,705.00
343	SCOTT UNIT (RETRIEVE UNIT)	W/2 N/2	1	BRAZORIA	222.29	BEING THE W/2 OF N/2 OF TRACT 1 CONTAINING 222.2925 ACRES IN THE SCOTT UNIT LOCATED IN THE STEPHEN F. AUSTIN 5 LEAGUE SURVEY, A-19, BRAZORIA COUNTY, TEXAS.	\$55,573.13

TEXAS PARKS AND WILDLIFE DEPARTMENT

MGL. NO.	AREA	PART	TRACT	COUNTY	ACRES	DESCRIPTION	MINIMUM BID
344	GOLIAD STATE HISTORICAL PARK AND MISSION LA BAHIA			GOLIAD	175.62	BEING 175.62 ACRES MORE OR LESS, BEING 207 ACRES LESS AND EXCEPT 31.38 ACRES MORE PARTICULARLY DESCRIBED AS FOLLOWS: 207 ACRES, BEING ALL OF FARM LOT NO. 33 CONTAINING 30.85 ACRES; ALL OF FARM LOT NO. 34 CONTAINING 36.55 ACRES; ALL OF FARM LOT NO. 35 CONTAINING 50.95 ACRES; ALL OF FARM LOT NO. 36 CONTAINING 72.95 ACRES; 12 ACRES OF FARM LOT NO. 12 AND 1.70 ACRES OF FARM LOT NO. 11 AND 2 ACRES BEING A PROLONGATION OF THE SOUTHERN END OF FORT STREET LOCATED LOCATED BETWEEN FARM LOTS 11 AND 12 ALL IN RANGE 3 OF THE FOUR LEAGUES OF LAND ORIGINALLY GRANTED TO THE TOWN OF GOLIAD, ACCORDING TO THE ESTABLISHED MAP OR PLAN THEREOF; SAID 207 ACRES OF LAND BEING BY METES AND BOUNDS THUS PARTICULARLY DESCRIBED, TO WIT: (FOR A COPY OF THE ACTUAL METES AND BOUNDS PLEASE CONTACT THE LEASING DEPARTMENT @ 512-475-1499)	\$52,686.00
345	WASHINGTON ON THE BRAZOS STATE HISTORICAL PARK			WASHINGTON	229.39	BEING ALL OF THE WASHINGTON ON THE BRAZOS STATE PARK , WASHINGTON COUNTY CONTAINING 292.986 SURFACE ACRES 229.39 MINERAL ACRES FURTHER DESCRIBED IN 15 DIFFERENT DEEDS ON FILE IN THE RECORDS OF THE TEXAS GENERAL LAND OFFICE, AUSTIN TEXAS. (FOR A COPY OF THE DEEDS PLEASE CALL 512-475-1499)	\$34,408.50

GEOTHERMAL ENERGY LANDS

MGL. NO.	COUNTY	AREA	ACRES	PART / COMMENTS	MINIMUM BID
346	CHAMBERS	LEASE BLOCK 17	2698.00	LEASE BLOCK 17, CONTAINING 2698 ACRES, INCLUDES THE SE/415 ACRES OF 35, 36, 37, 38, 39 AND 40, SAID TRACTS BEING IN TURTLE BAY, CHAMBERS COUNTY, TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$5,396.00
347	CHAMBERS	LEASE BLOCK 18	2390.00	LEASE BLOCK 18, CONTAINING 2390 ACRES, INCLUDES THE NW/140 ACRES OF 35, 36A, 37A, 38A, 39A AND 40A, SAID TRACTS BEING IN TURTLE BAY, CHAMBERS COUNTY, TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$4,780.00
348	CHAMBERS	LEASE BLOCK 19	2255.00	LEASE BLOCK 19, CONTAINING 2255 ACRES, INCLUDES 21B, 21C, 21D, 24B, 24C, 25B AND 25C, SAID TRACTS BEING IN TRINITY BAY, CHAMBERS COUNTY, TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$4,510.00
349	CHAMBERS	LEASE BLOCK 20	2480.00	LEASE BLOCK 20, CONTAINING 2480 ACRES, INCLUDES 5-8E, 5-8F, 9E, 1-4E AND 1-4F, SAID TRACTS BEING IN TRINITY BAY, CHAMBERS COUNTY, TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$4,960.00
350	CHAMBERS	LEASE BLOCK 21	3745.00	LEASE BLOCK 21, CONTAINING 3745 ACRES, INCLUDES 59, 60, 61, 62, NE/2 OF 79, NE/2 OF 80 AND THE NE/135 ACRES OF 80A SAID TRACTS BEING IN TRINITY BAY, CHAMBERS COUNTY, TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$7,490.00
351	CHAMBERS	LEASE BLOCK 22	3540.00	LEASE BLOCK 22, CONTAINING 3540 ACRES, INCLUDES 81, 82, 105, 106, SW/2 OF 79, SW/2 OF 80 AND THE SW/150 ACRES OF 80A, SAID TRACTS BEING IN TRINITY BAY, CHAMBERS COUNTY, TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$7,080.00
352	GALVESTON	LEASE BLOCK 23	4020.00	LEASE BLOCK 23, CONTAINING 4020 ACRES, INCLUDES 164, 165, 166, 171, 172 AND 173, SAID TRACTS BEING IN EAST BAY, GALVESTON COUNTY TEXAS. (SUBJECT TO ANY EXISTING OIL AND GAS LEASE)	\$8,040.00

RESOURCE MANAGEMENT CODES - JULY 17, 2007 OIL AND GAS LEASE SALE

MGL NO	USFWS	NMFS	TPWD	COE	THC	MGL NO	USFWS	NMFS	TPWD	COE	THC
30	DA, OH	DA, OA	DA, ME, OH	MA	MA						
47	DA, OH	DA	DA	MA	MK						
64	CA, ME, MP, OM, TC	CA, ME, OM	CA, ME, MP, OM, TC	RW	MA						
65	DA, OM	DB, OM	DA	MA	MK						
66	DA, OM	DB	DA	MA	MK						
69	DA, OH, OM	DA, ME	DA, ME, OH, OM	MA	MA						
76	DA, OH, OM	DB, ME	DA, OH, OM	MA	MA						
77	DA, OH	DB, OM, ME	DA, ME, OH	MA	MA						
78	DA, OH	DB, OM, ME	DA, ME, OH	MA	MA						
79	DA, ME, OH	DB, OM, ME	DA, ME, OH	MA	MA						
80	ME, CF, OA	ME, CF, OA	ME, CF, OA	MA	MA						
81	ME, CF, OA	ME, CF, OA	ME, CF, OA	RW	MA						
82	ME CF, OA	ME, CF, OA	ME, CF, OA	RW	MA						
83	DB	DB	DB	RW	MA						
85	CF, DA, MR, OH, OM	DA, OM	DA, OM, TB	RW	MA						
86	CF, DA, MR, OH, OM	DA, OM	DA, OM, TB	RW	MA						
87	CF, DA, MR, OH, OM	DB, OM	DA, OM, TB	RW	MA						
88	CF, DA, MR, OH, OM	DB, OM	DA, OM, TB	RW	MA						
89	CF, DA, MP, MR, OH, OM, TB	DA, OM, ME	DA, ME, CF, MG, OH, OM, TB	MA	MA						
90	CF, DA, MP, MR, OH, OM, TB	DA, OM, ME	DA, ME, CF, MG, OH, OM, TB	MA	MA						
95	CF, DA, MR, OH, OM, TB	DA, OM	DA, ME, CF, OM, TB	MA	MA						
96	CF, DA, MP, MR, OA, OH, OM, TB, TF	DA, OM, ME	DA, ME, MG, CF, OA, OM	MA	MA						
146	MA	MA	MA	MA	MK						
156	MA	MA	MA	MA	MK						
157	MA	MA	MA	MA	MK						
230	MA	MA	MA	MA	MK						
231	MA	MA	MA	MA	MK						
307	MA	MA	MA	MA	MK						
308	MA	MA	MA	MA	MK						
312	MA	MA	OM	MA	MA						