

MF112010

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF112010	56-030239		GLASSCOCK

<i>Survey</i>	HIGHWAYS & PUBLIC TRANSPORTATION DE	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>		
<i>Part Description</i>	HIGHWAY RIGHT-OF-WAY	
<i>Acres</i>	7.828	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>

<i>Name</i>	APACHE CORPORATION
<i>Lease Date</i>	2/1/2011
<i>Primary Term</i>	2 yrs
<i>Bonus (\$)</i>	\$1,957.00
<i>Rental (\$)</i>	\$0.00
<i>Lease Royalty</i>	0.2500

*Leasing:*                       
*Analyst:*                       
*Maps:*                       
*GIS:*                       
*DocuShare:*                     





# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (MF 112010)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and **Apache Corporation**, whose address is **303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705** hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Nine Hundred Fifty Seven 00/100 (\$ 1,957.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock**, State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **7.828** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **two years, from February 1st, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **1/4** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **1/4** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **1/4** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **1/4** of such gas and casing head gas.

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 5.00 per acre**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance often percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within

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

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

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

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

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

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

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

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

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

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

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

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

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 1st 2011, by and between the State of Texas, as lessor, and Apache Corporation as lessee, covering acreage to be leased in Glasscock County, Texas, along State Highway 33.

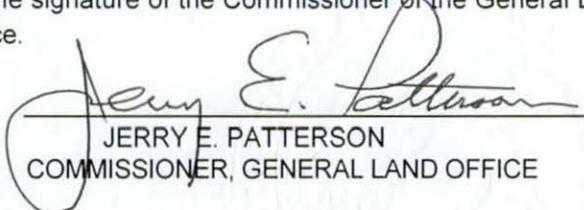
7.828 acres of land, more or less, situated in Section 1, Block 34, T-4S, T&P RR Co Survey. Said lands being described in the following deed filed in the Deeds of Record, Glasscock County, Texas

Deed from Eva Curie to the State of Texas  
dated: 10/17/1945 and recorded in Vol. 56, P. 226  
of the Deed Records of Glasscock County, Texas

causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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

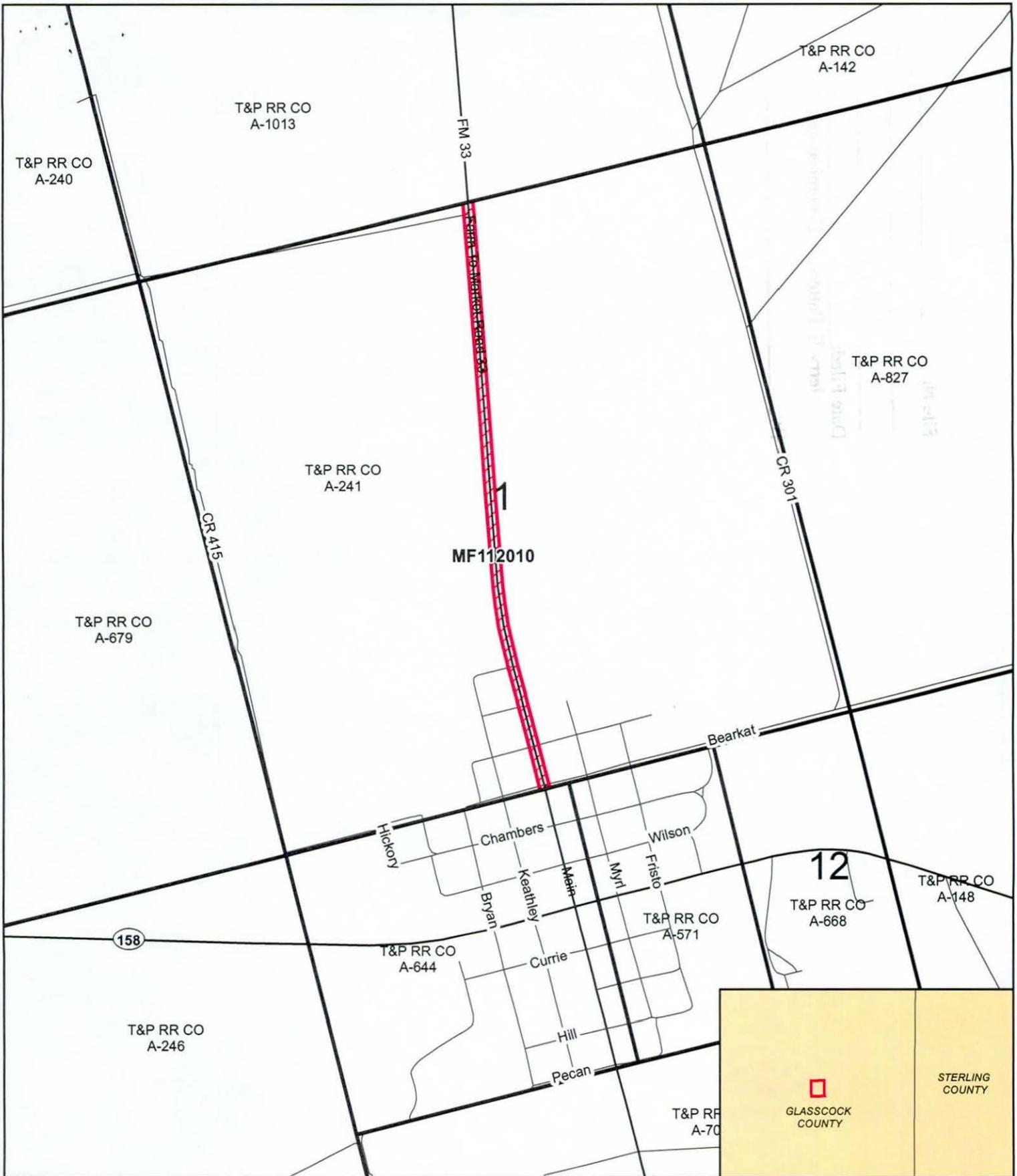
  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: 

DC: 

CC: 



Map Showing a Buffer of  
 FM 33  
 7.828 Acres  
 Glasscock County, TX

1,200 600 0 1,200 Feet



The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Generated by:  
 Mark Conway  
 IS/BAS/GIS  
 February 2011

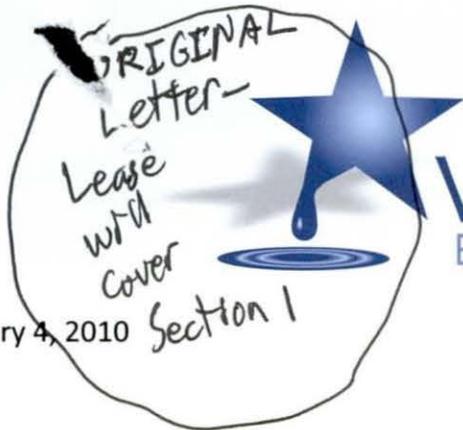
1.  
File No. MF 112010

Lease

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]



# VERITAS 321

ENERGY PARTNERS, LP

January 4, 2010

Drew Reid  
Texas General Land Office  
1700 N. Congress Ave., Suite 600  
Austin, TX 78701

RE: Oil, Gas and Mineral Lease  
See Attached Exhibit "A"  
Glasscock County, Texas

State Highway 33 ✓

~~7.361 acres - 7~~

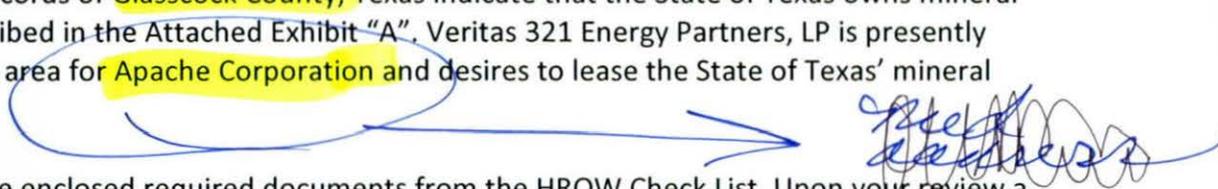
22.5%  
~~5~~ royalty

No Money  
m-112010

1 year ✓

Dear Mr. Reid,

The county records of Glasscock County, Texas indicate that the State of Texas owns mineral interest described in the Attached Exhibit "A". Veritas 321 Energy Partners, LP is presently leasing in this area for Apache Corporation and desires to lease the State of Texas' mineral interest.



Please find the enclosed required documents from the HROW Check List. Upon your review a timely response would be greatly appreciated. Should you have any questions, please advise.

Best Regards,

  
Matthew Torres  
Landman  
Ext. 123  
matt@veritas321.com

Waiting for call on  
① bonus - 1/18/11  
② Descriptions aren't good enough

Better  
plots

Will be three Leases  
lease 1) covers - Blk. 33 - see 40, 45, 44, 548  
7.911  
lease 2) covers - Blk 29 - see 193  
lease 3) covers - Blk 34 - see 2012  
3.70's

VERITAS 321 ENERGY PARTNERS, LP

009028

Texas General Land Office

Date	Type	Reference
12/29/2010	Bill	

Original Amt.	100.00
---------------	--------

	12/29/2010
Balance Due	100.00
Discount	
Check Amount	

Payment	100.00
	100.00

11704182

121

(WNB) Veritas 321 EP

100.00

**“EXHIBIT A”**

7.911 acres in Northwest (NW/4) of Section 45, Block 33, Township 2 South, T&P RR CO Survey, being more particularly described in Right of Way Deeds 56/236 DR and 56/237 DR to the State of Texas, dated September 27, 1945, containing 7.911 acres more or less, as to all depths.

A strip of land as it underlies and an additional 60 feet on each side of Highway 33 as it pertains to Section 1, Block 34, Township 4 South, T & P RR Co. Sy., more particularly described by metes and bounds in Right of Way Deed 56/226 DR. Exact acreage is unknown.

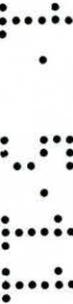
All of Section 5, Block 33, Township 3 South, T&P RR Co. Sy., Glasscock County, Texas.

All of Section 8, Block 33, Township 3 South, T&P RR Co. Sy., Glasscock County, Texas.

A tract of land out of Section 12, Block 34, Township 4 South, Glasscock County, Texas. Described as a strip of land 120 feet wide, measured 60 feet wide on each side of the located center line of State Hwy 158, being more particularly described by metes and bounds in Right of Way Deed 47/375, Deed Records of Glasscock County, containing 3.785 acres, more or less. Referred to as Tract EE on plat.

A 9.45 acre tract in the East half (E/2) of Section 193, Block 29, W&NW RR Co. Sy. For a right of way more fully described in Vol. 45, Pg. 72 of the Glasscock County Records, as to all depths.

All of Section 44, Block 33, Township 2 South, T&P Ry Co. Sy., Glasscock County, Texas.



112 . 1

2

File No. MF 112010

Letters + fee

Date Filed: 11/9/11

Jerry E. Patterson, Commissioner

By [Signature]



March 11, 2011

Mr. Drew Reid  
Texas General Land Office  
1700 N. Congress Ave., Suite 600  
Austin, TX 78701

RE: Oil, Gas and Mineral Lease Request

7.828 acres, more or less, conveyed by Right of Way Deed from Eva Currie to the State of Texas on October 17, 1945, such tract being more particularly described in said Right of Way Deed, recorded in Volume 56, Page 226 of the Deed Records of Glasscock County, Texas out of Section 1, Block 34, Township 4 South, T&P Ry. Co. Survey.  
Glasscock County, Texas

Dear Mr. Reid,

The county records of Glasscock County, Texas indicate that the State of Texas owns a mineral interest described in the above captioned lands. Veritas 321 Energy Partners, LP is presently leasing in this area for Apache Corporation, Successor Leasehold Owner to Mariner Energy, Inc., and desires to lease the State of Texas' mineral interest.

For your review, we have provided Lease Purchase Reports, executed Oil & Gas leases, and copies of payments made to each adjoining mineral owner to document the per acre bonus that was paid. In addition, we are submitting a plat for this tract which shows the State owned Highway Right of Way as well as an excerpt from the Original Drilling Title Opinion reflecting adjacent property ownership. (Please note that the scale for the plat is 1" = 4,000 ft.).

Please consider the land description above as the legal description to be used on the lease form. For your reference, we have enclosed a copy of the Right of Way Deed.

Upon your review a timely response would be greatly appreciated. Should you have any questions, please advise.

Best Regards,



Andy Torres  
Landman  
Ext. 121  
andytorres@veritas321.com

VERITAS 321 ENERGY PARTNERS, LP

009297

Commissioner of the TX General Land Office

3/10/2011

6000 · Land Brokerage:6032 · Misc

File ROW Sec1, Bk34

100.00

~~11707174~~

121

(WNB) Veritas 321 EP File ROW

100.00

*5*

File No. MF112010

Letter fee

Date Filed: 3/13/11

**Jerry E. Patterson, Commissioner**

By 



# MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

## HIGHWAY RIGHT OF WAY LEASE CHECKLIST

STATE LEASE MF 112010

LESSEE Apache Corp midland 79705

Address 303 Veterans Airport Lane, #3000

BONUS PER ACRE \$250<sup>00</sup> (Check for affidavit of consideration paid.)

TOTAL CONSIDERATION \_\_\_\_\_ PAID? Yes  No  WHEN? \_\_\_\_\_

ROYALTY 1/4 TERM 2 years

DATE OF LEASE 2/1/11 EXHIBIT 2AUS 7.9.11

SHUT IN ROYALTY PER ACRE \$5<sup>00</sup> TOTAL ACRES 7.828

COUNTY Glasscock

ROAD NAME SH-33

FULL DESCRIPTION [Abstract, Block, Township, Section]  
Section 1, Block 34, T-45, T&P Ry Co. Survey

EXHIBIT FOR LEASE PROVIDED? Yes  No  [Do not write on Exhibit.] ←

PLAT PROVIDED? Yes  No  Put sticky note on correct plat with MF #, acres, highway name, county, & abstract number for Zeke.

- Clip all adjoining leases together.
- Clip all deeds together.
- Give to Beverly to generate lease and docket.

See letter for legal description

4.

File No. WF 112010

Jerry E. Patterson

Date Filed: 3/13/11  
Jerry E. Patterson, Commissioner

By: [Signature]

*[Faint handwritten notes, possibly including "3/13/11" and "WF 112010"]*

*[Faint handwritten notes and signatures in the center of the page]*

*[Faint handwritten notes at the bottom of the page]*

Vol. 56  
1.226

226

81320

Brockton, Mass. hereinafter called the Grantee. The following, to-wit:

1/64th of 1/8th of the Landowners One Eighth Royalty interest in and to all of the Oil, Gas and other Minerals in and under and that may be produced from the following described lands, situated in Glasscock County, Texas, to-wit:

The SE $\frac{1}{4}$  of the NW $\frac{1}{4}$  and the SW $\frac{1}{4}$  of the SW $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 10, Block 34, Township 2, South, R.R. Wade, Survey, containing 50 acres.

Together with the right of ingress and egress at all times for the purpose of mining, drilling and exploring said lands for oil, gas and other minerals, and removing the same therefrom.

The interest hereby assigned and conveyed is a Royalty Interest included in and with the Royalty under any Oil, Gas and Mineral leases now on said land, or any subsequent lease or leases that may be given thereon.

This sale is made for an in consideration of the sum of (Five Dollars (\$5.00)) and other good and valuable consideration cash in hand paid, the receipt of which is hereby acknowledged and confessed.

TO HAVE AND TO HOLD the above described property, together with all and singular, the rights and appurtenances thereto in any wise belonging unto the said Alonzo E. Allard, heirs, administrators, executors, or assigns forever. And we do hereby bind ourselves, our successors or assigns to warrant and forever defend all and singular the said property unto the said Alonzo E. Allard, heirs, executors, administrators and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, the undersigned grantor has caused these presents to be signed executed and delivered by Hubert Hoffman, and its seal to be hereunto affixed this, the 3rd day of June A.D. 1929.

MID-TEX COMPANY  
Hubert Hoffman

(CORP. SEAL)  
THE STATE OF TEXAS }  
COUNTY OF TARRANT }

BEFORE ME, the undersigned authority, a Notary Public, in and for the County of Tarrant, State of Texas, on this day personally appeared Hubert Hoffman, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein recited.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 3rd day of June A.D. 1929.

Arthur Heemann  
Notary Public for Tarrant County, Tex.

(SEAL)  
Filed for record December 3, 1945 at 9:00 o'clock A.M.  
Recorded December 3, 1945 at 11:30 o'clock A.M.

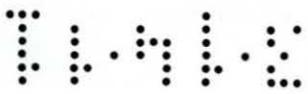
*James L. ...*  
County Clerk, Glasscock County, Texas

(File # 7614)

RIGHT-OF-WAY DEED

State of Texas }  
County of Glasscock } KNOW ALL MEN BY THESE PRESENTS:

THAT I, Eva Currie of the County of Glasscock, State of Texas, for an in consideration of the sum of One Hundred Ninety Five & 70/100 DOLLARS, to me in hand paid by the State of Texas, acting by and through the State Highway Commission, receipt of which is hereby acknowledged, have this day sold, and do by these presents grant, bargain, sell and convey



unto the State of Texas, all that certain tract or parcel of land, situated in the County of Glasscock, State of Texas, and being a part of Survey 1, Abstract 241, Block 34, Township 4-South, T. & P. Ry. Co. Survey, and also being part of Lots and Blocks out of the Calverley Heights Addition to the town of Garden City, Texas.

conveyed by Joe C. Calverley and Wife, Rose Calverley to Eva Currie by deed dated the 8th day of October 1935, and recorded in Volume 44 Page 271 of Deed Records of Glasscock County, Texas; said tract or parcel of land herein conveyed, being subject to:

(Important Note: If no liens, leases or easements exist, insert the word "None.")  
 lien(s) held by (Name) None, (Address) \_\_\_\_, easement(s) held by (Name) None, (Address) \_\_\_\_,  
 leases(s) held by (Name) None, (Address) \_\_\_\_, and being more particularly described as follows, to-wit:

**Tract No. 1**

Being a strip of land along and adjacent to the center line of State Highway No. 207, 2841.5 feet long and 120 feet wide, 60 feet each side of the said center line of State Highway No. 207 from station 750 + 15 to station 778 + 56.5

Said center line being described as follows, to wit:

Beginning at a point on the north line of said Survey 1, said point of beginning being station 750 + 15 and being 5.75 Deg. 19 Min. W., 2149 feet from the northeast corner of said Survey 1.

Thence S. 4 Deg. 51 Min. E., 2841.5 feet to a point in the north line of Calverley Heights, said point being station 778 + 56.5 and being N. 75 Deg. 07 Min. E., 122 feet from the northwest corner of Block 22, in said Calverley Heights.

**Said strip of land containing 7.828 acres.**

**Tract No. 2.**

Being all that portion of Lots 4, 5, and 6, Block 22 of said Calverley Heights which lies west of a line east of, 60 feet at right angles to, and parallel with the center line of State Highway No. 207.

**Tract No. 3**

Being all that portion of Lots 7, 8, 9, and 10, Block 22 of said Calverley Heights which lies east of a line west of, 60 feet at right angles to, and parallel with the center line of State Highway No. 207.

**Tract No. 4.**

All of Lots 11 and 12, Block 22, Calverley Heights.

**Tract No. 5.**

All that portion of Lots 7, 8, 9, 10, 11, 12, Block 23, Calverley Heights, which lie west of a line east of, 60 feet at right angles to, and parallel with the center line of State Highway 207.

**Tract No. 6**

All that portion of Lots 7, 8, 9, 10, 11, 12, Block 24, Calverley Heights, which lies west of a line east of, 60 feet at right angles to, and parallel with the center line of State Highway No. 207.

**Tract No. 7**

All that portion of Lots 7, 8, 9, 10, 11, 12, Block 25, Calverley Heights, which lies east of a line east of, 60 feet at right angles to, and parallel with the center line of State Highway No. 207.

**Tract No. 8**

The west 10 feet of Lots 7, 8, 9, 10, 11, 12, Block 26, Calverley Heights Addition to the town of Garden City, Texas



5,

File No. MF 112010

Deed

Date Filed: 3/14/11

Jerry E. Patterson, Commissioner

By [Signature]



**Lots 5 and 6, Block 42, Calverley Heights Addition:**

Mary Joyce Wilkerson, as her separate property ..... All

**Minerals:**

**The 5.0-acre tract described in Exhibit "A" hereto; Lots 1, 2 and 3, Block 40, Calverley Heights Addition; the 2 tracts of land out of Lots 7 and 8, Block 42, and out of Lot 11, Block 41, Calverley Heights Addition, described in Exhibit "B" hereto; and the 19.19-acre tract described in Exhibit "C" hereto:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Glasscock County Independent School District	Unleased	N/A	All

**The 6.82 acres, more or less, described in Exhibit "E" hereto:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
The State of Texas, acting by and through the State Highway Commission	Unleased	N/A	All

**All of Block 1 of the Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Emma C. Schafer, as her separate property		N/A	All

**All of Block 2 of the Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Rosie Marie Roberts, as her separate property	See attached lease	N/A	All

**All of Blocks 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 32, 33, 34, 35, 36, 37, 38, 39, 45, 46, 47, 48, 49, 50, 51, 52, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68 and 69 SAVE AND EXCEPT(a) Lots 2, 3 and 10, Block 12, (b) Lots 5 and 6, Block 39, (c) Lots 9, 10, 11 and 12, Block 25, and (d) the portion thereof situated within the boundaries of the 6.82 acres, more or less, described in Exhibit "E" hereto:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
E.D.B., Ltd.	1	20%	All

**Lots 1, 2 and 3, Block 13, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Emma C. Schafer, as her separate property	See attached lease	N/A	1/2
Rosie Marie Roberts, as her separate property	See attached lease	N/A	1/2



Lots 4 through 12, Block 13, Calverley Heights Addition; and Lots 1 through 9, Block 14, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Jim D. Havlak and wife, Diane M. Havlak	2	1/4	All

Lots 10, 11 and 12, Block 14, Calverley Heights Addition; Lots 1, 2 and 3, Block 15, Calverley Heights Addition; and Lots 1 through 6, Block 30, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Permian Basin Development Company, Inc.	3	1/4	All

Lots 4, 5 and 6, Block 15, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Bryan Cypert	Unleased	N/A	All

Lots 7, 8 and 9, Block 15, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Jana Lark, as her separate property	Unleased	N/A	1/2
Kelli Calverley, Trustee of the Hope Jervon Calverley Trust	Unleased	N/A	1/4
Kelli Calverley, Trustee of the Stephen Love Calverley Trust	Unleased	N/A	1/4

Lots 10, 11 and 12, Block 15, Calverley Heights Addition:

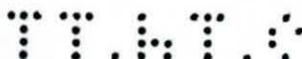
<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Omer T. Cook and wife, Jade E. Cook	See attached lease	N/A	All

All of Block 16 of the Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Travis Leon Pate and wife, Betty Ann Pate	4	1/4	All

Lots 1, 2 and 3, Block 27, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Gladly Virginia Hartley, as her separate property	See attached lease	N/A	All



The N/2 of Lot 5 and All of Lot 6, Block 27, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Warren Christie and wife, Mary Christie	Unleased	N/A	All

The S/2 of Lot 5 and All of Lot 4, Block 27, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Williford J. Millwee and wife, Josephine W. Millwee	See attached lease	N/A	All

Lots 7, 8, 9, 10, 11 and 12, Block 27, Calverley Heights Addition; and Lots 7 and 8, Block 28, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
James Cypert and wife, Nita Cypert	Unleased	N/A	All

Lots 1, 2 and 3, Block 28, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Denis W. Calverley and Anita C. Calverley, Trustees of the Denis W. Calverley and Anita C. Calverley Family Living Trust dated October 26, 1990, as amended by instrument dated October 7, 1998	Unleased	N/A	All

Lot 4 and the S/2 of Lot 5, Block 28, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Kenneth L. Reed and wife, Tresa S. Reed	See attached lease	N/A	All

The N/2 of Lot 5 and All of Lot 6, Block 28, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Billy Charles Johnson, as his separate property	See attached lease	N/A	1/2
Berry T. Johnson, Jr., as his separate property	See attached lease	N/A	1/2

Lots 9, 10, 11 and 12, Block 28, Calverley Heights Addition:

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
J. R. Hurt	Unleased	N/A	1/2
H. L. Greer	Unleased	N/A	1/2

**Lots 1, 2, 3, 4, 5 and 6, Block 29, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
The Trustees of the Methodist Church of Garden City	Unleased	N/A	All

**The West 65 feet of Lots 7 and 8, Block 29, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Delores Jay Smith, as her separate property	See attached lease	N/A	All

**The East 75 feet of Lots 7 and 8, Block 29, Calverley Heights Addition; and Lots 4, 5 and 6, Block 41, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Donald Keith Cypert, as his separate property	Unleased	N/A	All

**Lot 9, Block 29, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Terry Lee Riley, as his separate property	See attached lease	N/A	All

**Lot 10, Block 29, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Stacy M. Hare, as her separate property	Unleased	N/A	All

**Lots 11 and 12, Block 29, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Steve M. Pelzel and wife, Deborah Jaydell Pelzel	See attached lease	N/A	All

**Lots 7 and 8, Block 30, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Steven O. Wallis and wife, Vicki D. Wallis	Unleased	N/A	All

**Lots 9, 10, 11 and 12, Block 30, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Glenn Joe Riley, as his separate property	5	1/5	All

**Lots 1, 2, 3 and 4, Block 31, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Glasscock County Senior Citizens, a Texas non-profit corporation	Unleased	N/A	All

**Lots 2, 3 and 10, Block 12, Calverley Heights Addition; Lots 9, 10, 11 and 12, Block 25, Calverley Heights Addition; Lots 5, 6, 7, 8 and 9, Block 31, Calverley Heights Addition; Lots 5 and 6, Block 39, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Edith Cook Books, as her separate property	Unleased	N/A	All

**Lots 10, 11 and 12, Block 31, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Roy Lee McDaniel	Unleased	N/A	All

**Lots 4, 5 and 6, Block 40, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Billy Jay Cook, as his separate property	Unleased	N/A	1/2 *
Margaret Jo Saunders, as her separate property	Unleased	N/A	1/2 *

\* Until the Estate of Letty Ruth Cook, Deceased, is fully administered, you should have Billy Jay Cook, as Independent Executor of the Estate of Letty Ruth Cook, Deceased, join in the execution of oil and gas leases taken from these parties.

**Lots 1, 2 and 3, Block 41, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Welton B. Tilley for life, remainder to Dana G. Henrichs	See attached lease	N/A	All

**Lots 1 and 2, Block 42, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Curtis Palmer and wife, Lola Mae Palmer	See attached lease	N/A	All

**Lots 3 and 4, Block 42, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Jesus E. Flores and wife, Ernestine H. Flores	See attached lease	N/A	All

**Lots 5 and 6, Block 42, Calverley Heights Addition:**

<u>Owner</u>	<u>Lease No.</u>	<u>Lease Royalty</u>	<u>Interest</u>
Mary Joyce Wilkerson, as her separate property	See attached lease	N/A	All

**Oil and Gas Leasehold Estate:**

**The 5.0-acre tract described in Exhibit "A" hereto; Lots 1, 2 and 3, Block 40, Calverley Heights Addition; the 2 tracts of land out of Lots 7 and 8, Block 42, and out of Lot 11, Block 41, Calverley Heights Addition, described in Exhibit "B" hereto; and the 19.19-acre tract described in Exhibit "C" hereto:**

Unleased ..... All

**The 6.82 acres, more or less, described in Exhibit "E" hereto:**

Unleased ..... All

**All of Block 1 of the Calverley Heights Addition:**

Unleased ..... All

**All of Block 2 of the Calverley Heights Addition:**

Unleased ..... All

**All of Blocks 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 32, 33, 34, 35, 36, 37, 38, 39, 45, 46, 47, 48, 49, 50, 51, 52, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68 and 69 SAVE AND EXCEPT(a) Lots 2, 3 and 10, Block 12, (b) Lots 5 and 6, Block 39, (c) Lots 9, 10, 11 and 12, Block 25, and (d) the portion thereof situated within the boundaries of the 6.82 acres, more or less, described in Exhibit "E" hereto:**

Mariner Energy, Inc. .... 50% of 80% WI

Element Petroleum, Inc. .... 50% of 80% WI

**Lots 1, 2 and 3, Block 13, Calverley Heights Addition:**

Unleased ..... All



6.

File No. MF 112010

Drilling Title Opinion

Date Filed: 3/14/11

Jerry E. Patterson, Commissioner

By [Signature]





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	October 4, 2010	PROSPECT:	Deadwood
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

ROSIE MARIE ROBERTS

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

ALL OF BLOCK 1 AND LOTS 1, 2 AND 3, BLOCK 13 OF THE CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 OF THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, T&P RY. CO. SURVEY, GLASSCOCK COUNTY, TEXAS, CONTAINING 2.548 ACRES, MORE OR LESS.

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	<b>DOCUMENTS SUBMITTED:</b>	
<input type="checkbox"/> RENEWAL	<input type="checkbox"/> STATE	<input checked="" type="checkbox"/> ORIGINAL LEASE	<input checked="" type="checkbox"/> COMPLETED W9
<input type="checkbox"/> RATIFICATION	<input type="checkbox"/> GOVT. AGENCY	<input type="checkbox"/> MEMORANDUM OF LEASE	<input type="checkbox"/> MINERAL TAKEOFF
<input type="checkbox"/> EXTENSION	<input checked="" type="checkbox"/> FEE	<input type="checkbox"/> LEASE PLAT	<input checked="" type="checkbox"/> RECEIPT OF PAYMENT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input checked="" type="checkbox"/> COPY OF DRAFT/CHECK	<input type="checkbox"/>
BOOK: 152	PAGE: 54	ENTRY/REGISTER/MICROFILM: 4844	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: June 15, 2010	EFFECTIVE DATE: June 15, 2010	EXPIRATION DATE: June 15, 2013	TERM (YRS): 3
MINERAL INTEREST: 0.90541601	GROSS ACRES: 2.5480	NET ACRES: 2.3070	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 2.3070	SHUT-IN ROYALTY AMOUNT: \$2.31
BONUS PER ACRE: \$250.00	BONUS AMOUNT: \$576.75	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

<b>LESSOR(S):</b>	<b>INTEREST:</b>
NAME: ROSIE MARIE ROBERTS	0.90541601
CONTINUED	
ADDRESS: 2705 N. ALBERTSON DRIVE	
CITY ST ZIP: HOBBS, NM 88240	
TIN:	
PHONE:	
EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE:	
EMAIL:	
TOTAL INTEREST:	0.90541601

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

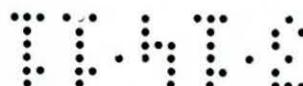
\*\*\*PARAGRAPH 12) PROTECTION CLAUSE, STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.

WT: MEI201027  
VEP CK #: 8565

Lease Purchase Report

REVISED 3/32008

cj/hs





WESTERN NATIONAL BANK  
MIDLAND, TX

008565

88-737  
1163

9/15/2010

PAY TO THE ORDER OF Rosie Marie Roberts

\$\*\*576.75

Five Hundred Seventy-Six and 75/100\*\*\*\*\*  
DOLLARS

Rosie Marie Roberts  
2705 N. Albertson Drive  
Hobbs, NM 88240

*Shelley Ingers*  
AUTHORIZED SIGNATURE



MEMO MEI201027 L

⑈008565⑈ [REDACTED]

VERITAS 321 ENERGY PARTNERS, LP

008565

Rosie Marie Roberts		9/15/2010				
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
9/15/2010	Bill	Bonus Consideration	576.75	576.75		576.75
				Check Amount		576.75

(WNB) Veritas 321 EP MEI201027 L

576.75

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4844

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JUNE, 2010, between ROSIE MARIE ROBERTS, dealing in her sole and separate property, as Lessor (whether one or more), whose address is: 2705 N. ALBERTSON, HOBBS, NM 88240 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of **10.00** Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

All of Block 1 and Lots 1, 2 and 3, Block 13 of the Calverley Heights Addition located in the SW/4 of the W/2 SE/4 of Section 1, Block 34, T-4-S, T&P Ry. Co. Survey, Glasscock County, Texas, containing 2.548 acres, more or less.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **2.548 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of



royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

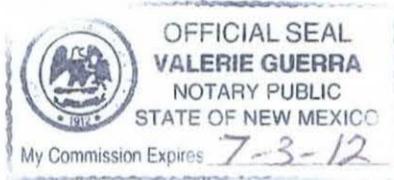
  
ROSIE MARIE ROBERTS



ACKNOWLEDGMENT

STATE OF ~~TEXAS~~ New Mexico  
COUNTY OF ~~GLASSCOCK~~ LEA

This instrument was acknowledged before me on the 20<sup>th</sup> day of AUGUST, 2010, by ROSIE ROSIE MARIE ROBERTS, dealing in her sole and separate property.



Valerie Guerra  
Notary Public, State of ~~Texas~~ New Mexico  
Valerie Guerra  
Notary's Name (printed):  
My Commission Expires: 7-3-12

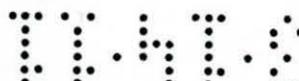
FILED  
AT 10:00 O'CLOCK A. M.  
ON THE 27 DAY OF September  
A.D., 2010  
INS. NO. 4844

Rebecca Badla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Hortensia Jones DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.

Rebecca Badla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL 152 PAGE 054  
RECORDED September 27, 2010







**VERITAS 321**  
 ENERGY PARTNERS, LP  
 P.O. Box 173  
 Midland, Texas 79702  
 432.682.4002

WESTERN NATIONAL BANK  
 MIDLAND, TX

88-737  
 1163

008324

7/15/2010

PAY TO THE ORDER OF Omer T.Cook and Jade E.Cook

\$\*\*120.50

One Hundred Twenty and 50/100\*\*\*\*\*

DOLLARS

Omer T.Cook and Jade E.Cook  
 PO Box 73  
 Garden City, TX 79739

*Shelley Ingram*  
 AUTHORIZED SIGNATURE



MEMO MEI201020 L

⑈008324⑈

VERITAS 321 ENERGY PARTNERS, LP

Omer T.Cook and Jade E.Cook

7/15/2010

008324

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/15/2010	Bill	Bonus Consideration	120.50	120.50		120.50
				Check Amount		120.50

(WNB) Veritas 321 EP MEI201020 L

120.50

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4443

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JUNE, 2010, between OMER T. COOK and JADE E. COOK, husband and wife, as Lessor (whether one or more), whose address is: P.O. BOX 73, GARDEN CITY, TX 79739 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee: WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lots 10, 11 and 12, Block 15, Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.482 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.482 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

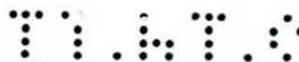
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fourth (1/4) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other one-fourth (1/4) products, the market value, at the mouth of the well, of one-fourth (1/4) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of



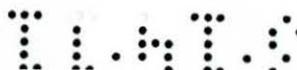
royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR: Omer T. Cook  
OMER T. COOK

LESSOR: Jade E. Cook  
JADE E. COOK



ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF GLASSCOCK

§§§

This instrument was acknowledged before me on the 28<sup>th</sup> day of June, 2010, by OMER T. COOK.



Tina Moreno  
Notary Public, State of Texas

Tina Moreno  
Notary's Name (printed):

My Commission Expires: 08-25-2010

STATE OF TEXAS  
COUNTY OF GLASSCOCK

§§§

This instrument was acknowledged before me on the 28<sup>th</sup> day of June, 2010, by JADE E. COOK, wife of Omer T. Cook.



Tina Moreno  
Notary Public, State of Texas

Tina Moreno  
Notary's Name (printed):

My Commission Expires: 08-25-2010

**FILED**  
AT 10:00 O'CLOCK A. M.  
ON THE 29 DAY OF July  
A.D., 2010  
INS. NO. 4443

Rebecca Badla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Stephennia Jones DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the  
date and at the time stamped hereon by me and was duly  
RECORDED in the Volume and Page of the named  
RECORDS of Glasscock County, Texas, as stamped  
hereon by me.

Rebecca Badla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 149 PAGE 616  
RECORDED July 29, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

<b>DATE:</b>	August 17, 2010	<b>PROSPECT:</b>	Deadwood
<b>PREPARED BY:</b>	VERITAS 321 ENERGY PARTNERS, LP (KT)	<b>AFE #</b>	072296
<b>APPROVED BY:</b>	blue cell = formula inserted		

**ASSIGNOR/LESSOR/GRANTOR:**

GLADYS VIRGINIA HARTLEY

**ASSIGNEE/LESSEE/GRANTEE:**

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOTS 1, 2, AND 3, BLOCK 27, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.482 ACRES, MORE OR LESS.

<b>NEW</b> <input checked="" type="checkbox"/>	<b>FEDERAL</b> <input type="checkbox"/>	<b>DOCUMENTS SUBMITTED:</b>	
<b>RENEWAL</b> <input type="checkbox"/>	<b>STATE</b> <input type="checkbox"/>	<b>ORIGINAL LEASE</b> <input checked="" type="checkbox"/>	<b>COMPLETED W9</b> <input checked="" type="checkbox"/>
<b>RATIFICATION</b> <input type="checkbox"/>	<b>GOVT. AGENCY</b> <input type="checkbox"/>	<b>MEMORANDUM OF LEASE</b> <input type="checkbox"/>	<b>MINERAL TAKEOFF</b> <input checked="" type="checkbox"/>
<b>EXTENSION</b> <input type="checkbox"/>	<b>FEE</b> <input checked="" type="checkbox"/>	<b>LEASE PLAT</b> <input checked="" type="checkbox"/>	<b>RECEIPT OF PAYMENT</b> <input type="checkbox"/>
<b>AMENDED</b> <input type="checkbox"/>	<b>PAID-UP</b> <input checked="" type="checkbox"/>	<b>COPY OF DRAFT/CHECK</b> <input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>BOOK:</b> 150	<b>PAGE:</b> 202	<b>ENTRY/REGISTER/MICROFILM</b> 4531	<b>COUNTY/PH-ST</b> GLASSCOCK COUNTY, TX
<b>DATE:</b> June 15, 2010	<b>EFFECTIVE DATE:</b> June 15, 2010	<b>EXPIRATION DATE:</b> June 15, 2013	<b>TERM (YRS):</b> 3
<b>MINERAL INTEREST:</b> 1.00000000	<b>GROSS ACRES:</b> 0.4820	<b>NET ACRES:</b> 0.4820	<b>ROYALTY RATE:</b> 0.25000000
<b>CO. GWI</b> 1.00000000		<b>CO. NET ACRES:</b> 0.4820	<b>SHUT-IN ROYALTY AMOUNT:</b> \$0.48
<b>BONUS PER ACRE:</b> \$250.00	<b>BONUS AMOUNT:</b> \$120.50	<b>FIRST RENTAL DUE:</b> N/A	<b>RENTAL AMOUNT:</b> N/A

<b>LESSOR(S):</b>	<b>GLADYS VIRGINIA HARTLEY</b>	<b>INTEREST:</b>	1.00000000
NAME			
CONTINUED			
ADDRESS	P.O. BOX 157		
CITY ST ZIP	GARDEN CITY, TX 79739		
TIN:			
PHONE:			
EMAIL:			
NAME			
CONTINUED			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE:			
EMAIL:			
	<b>TOTAL INTEREST:</b>		1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

\*\*\*PARAGRAPH 12...PROTECTION CLAUSE, STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.



THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED ENDOCRUMENT LINES



WESTERN NATIONAL BANK  
MIDLAND, TX

008413

88-737  
1163

8/6/2010

PAY TO THE ORDER OF Gladys Virginia Hartley

\$\*\*120.50

One Hundred Twenty and 50/100\*\*\*\*\*

DOLLARS

Gladys Virginia Hartley  
PO Box 157  
Garden City, TX 79739

*Shelley Ayman*  
AUTHORIZED SIGNATURE



MEMO MEI201023 L

⑈008413⑈



VERITAS 321 ENERGY PARTNERS, LP

008413

Gladys Virginia Hartley

Date	Type	Reference
8/5/2010	Bill	Bonus Consideration

Original Amt.
120.50

Balance Due	Discount
120.50	
	Check Amount

Payment
120.50
120.50

(WNB) Veritas 321 EP MEI201023 L

120.50

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4531

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JUNE, 2010, between GLADY VIRGINIA HARTLEY, dealing in her sole and separate property, as Lessor (whether one or more), whose address is: P.O. BOX 157, GARDEN CITY, TX 79739 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of **10.00** Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lots 1, 2 and 3, Block 27, Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.482 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.482 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

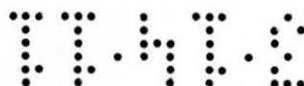
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The



formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR: Gladys Virginia Hartley  
GLADY VIRGINIA HARTLEY



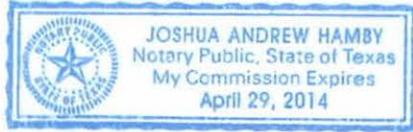
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF GLASSCOCK

§  
§  
§

This instrument was acknowledged before me on the 27 day of July, 2010, by GLADY VIRGINIA HARTLEY, dealing in her sole and separate property.



*Joshua Andrew Hamby*  
Notary Public, State of Texas

Notary's Name (printed):

My Commission Expires:

**FILED**  
AT 10:00 O'CLOCK A. M.  
ON THE 12 DAY OF August  
A.D., 2010  
INS. NO. 4531

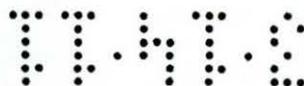
*Rebecca Barla*  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY: *Kristina Jones* DEPUTY



STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.

*Rebecca Barla*  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 150 PAGE 202  
RECORDED August 12, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	November 20, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

STEWART J. DALTON AND MARTHA MILLWEE DALTON

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOTS 4, 5, AND 6, BLOCK 27, CALVERLEY HEIGHTS ADDITION, LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.482 ACRES, MORE OR LESS.

<b>NEW</b> <input checked="" type="checkbox"/>	<b>FEDERAL</b> <input type="checkbox"/>	<b>DOCUMENTS SUBMITTED:</b>	
<b>RENEWAL</b> <input type="checkbox"/>	<b>STATE</b> <input type="checkbox"/>	<b>ORIGINAL LEASE</b> <input checked="" type="checkbox"/>	<b>COMPLETED W9</b> <input checked="" type="checkbox"/>
<b>RATIFICATION</b> <input type="checkbox"/>	<b>GOVT. AGENCY</b> <input type="checkbox"/>	<b>MEMORANDUM OF LEASE</b> <input type="checkbox"/>	<b>MINERAL TAKEOFF</b> <input checked="" type="checkbox"/>
<b>EXTENSION</b> <input type="checkbox"/>	<b>FEE</b> <input checked="" type="checkbox"/>	<b>LEASE PLAT</b> <input checked="" type="checkbox"/>	<b>RECEIPT OF PAYMENT</b> <input checked="" type="checkbox"/>
<b>AMENDED</b> <input type="checkbox"/>	<b>PAID-UP</b> <input checked="" type="checkbox"/>	<b>COPY OF DRAFT/CHECK</b> <input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>BOOK:</b> 155	<b>PAGE:</b> 89	<b>ENTRY/REGISTER/MICROFILM</b> 5324	<b>COUNTY/PH-ST</b> GLASSCOCK COUNTY, TX
<b>DATE:</b> October 1, 2010	<b>EFFECTIVE DATE:</b> October 1, 2010	<b>EXPIRATION DATE:</b> October 1, 2013	<b>TERM (YRS):</b> 3
<b>MINERAL INTEREST:</b> 1.00000000	<b>GROSS ACRES:</b> 0.4820	<b>NET ACRES:</b> 0.4820	<b>ROYALTY RATE:</b> 0.25000000
<b>CO. GWI</b> 1.00000000		<b>CO. NET ACRES:</b> 0.4820	<b>SHUT-IN ROYALTY AMOUNT:</b> \$0.48
<b>BONUS PER ACRE:</b> \$250.00	<b>BONUS AMOUNT:</b> \$120.50	<b>FIRST RENTAL DUE:</b> N/A	<b>RENTAL AMOUNT:</b> N/A

<b>LESSOR(S):</b>	<b>INTEREST:</b>
NAME STEWART J. DALTON AND MARTHA MILLWEE DALTON	1.00000000
CONTINUED	
ADDRESS P.O. BOX 119	
CITY ST ZIP GARDEN CITY, TX 79729	
TIN:	
PHONE:	
EMAIL:	
NAME	
CONTINUED	
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE:	
EMAIL:	
<b>TOTAL INTEREST:</b>	<b>1.00000000</b>

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

\*\*\*PARAGRAPH 12)...SURFACE AREA WILL NOT BE USED FOR DRILLING AND IF ANOTHER WELL IS DRILLED IN IMMEDIATE AREA, IT WILL BE DIRECTIONALLY DRILLED.

WT: MEI201038  
VEP CK #: 8875  
Lease Purchase Report

REVISED 3/32008

cj/ts



THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINE



**VERITAS 321**  
ENERGY PARTNERS, LP  
P.O. Box 173  
Midland, Texas 79702  
432.682.4002

WESTERN NATIONAL BANK  
MIDLAND, TX

88-737  
1163

008875

11/16/2010

PAY TO THE ORDER OF Stewart G. Dalton & Martha Millwee Dalton

\$ \*\*120.50

One Hundred Twenty and 50/100\*\*\*\*\* DOLLARS

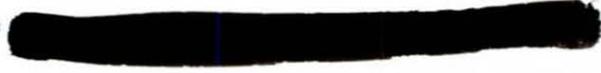
Stewart G. Dalton and  
Martha Millwee Dalton  
PO Box 119  
Garden City, TX 79739

*Shelley Ingram*  
\_\_\_\_\_  
AUTHORIZED SIGNATURE



MEMO MEI201038 L

⑈008875⑈



VERITAS 321 ENERGY PARTNERS, LP

Stewart G. Dalton & Martha Millwee Dalton

11/16/2010

008875

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/15/2010	Bill	Bonus Consideration	120.50	120.50		120.50
				Check Amount		120.50

(WNB) Veritas 321 EP MEI201038 L

120.50

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#5324

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 1st day of October 2010, between Stewart G. Dalton and Martha Millwee Dalton, as Lessors (whether one or more), whose address is: P O Box 119, Garden City, TX 79739 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lots 4, 5 & 6, Block 27, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas,  
containing 0.482 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.482 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

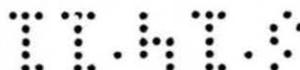
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of



royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

*Stewart J. Dalton*  
STEWART J. DALTON

LESSOR:

*Martha Millwee Dalton*  
MARTHA MILLWEE DALTON

ACKNOWLEDGMENT

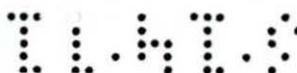
STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on the 29<sup>th</sup> day of October, 2010, by STEWART J. DALTON and MARTHA MILLWEE DALTON, husband and wife.



*Brenda Haney*  
Notary Public, State of Texas  
My Commission Expires: 7-11-12



FILED

AT 10:00 O'CLOCK A. M.  
ON THE 18 DAY OF November  
A.D., 2010  
INS. NO. 5324

*Rebecca Badla*

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY *Antonia Jones* DEPUTY

COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



*Rebecca Badla*

County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 155 PAGE 089

RECORDED November 18, 2010

1115



# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	October 4, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

KENNETH LEON REED AND TRESA J. REED, HUSBAND AND WIFE

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOT 4 AND THE S/2 OF LOT 5, BLOCK 28, CALVERLEY HEIGHTS ADDITION, LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.241 ACRES, MORE OR LESS.

<b>NEW</b> <input checked="" type="checkbox"/>	<b>FEDERAL</b> <input type="checkbox"/>	<b>DOCUMENTS SUBMITTED:</b>	
<b>RENEWAL</b> <input type="checkbox"/>	<b>STATE</b> <input type="checkbox"/>	<b>ORIGINAL LEASE</b> <input checked="" type="checkbox"/>	<b>COMPLETED W9</b> <input checked="" type="checkbox"/>
<b>RATIFICATION</b> <input type="checkbox"/>	<b>GOVT. AGENCY</b> <input type="checkbox"/>	<b>MEMORANDUM OF LEASE</b> <input type="checkbox"/>	<b>MINERAL TAKEOFF</b> <input type="checkbox"/>
<b>EXTENSION</b> <input type="checkbox"/>	<b>FEE</b> <input checked="" type="checkbox"/>	<b>LEASE PLAT</b> <input type="checkbox"/>	<b>RECEIPT OF PAYMENT</b> <input checked="" type="checkbox"/>
<b>AMENDED</b> <input type="checkbox"/>	<b>PAID-UP</b> <input checked="" type="checkbox"/>	<b>COPY OF DRAFT/CHECK</b> <input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>BOOK:</b> 152	<b>PAGE:</b> 51	<b>ENTRY/REGISTER/MICROFILM</b> 4843	<b>COUNTY/PH-ST</b> GLASSCOCK COUNTY, TX
<b>DATE:</b> July 15, 2010	<b>EFFECTIVE DATE:</b> July 15, 2010	<b>EXPIRATION DATE:</b> July 15, 2013	<b>TERM (YRS):</b> 3
<b>MINERAL INTEREST:</b> 1.00000000	<b>GROSS ACRES:</b> 0.2410	<b>NET ACRES:</b> 0.2410	<b>ROYALTY RATE:</b> 0.25000000
<b>CO. GWI</b> 1.00000000		<b>CO. NET ACRES:</b> 0.2410	<b>SHUT-IN ROYALTY AMOUNT:</b> \$0.24
<b>BONUS PER ACRE:</b> \$100 FLAT FEE	<b>BONUS AMOUNT:</b> \$100.00	<b>FIRST RENTAL DUE:</b> N/A	<b>RENTAL AMOUNT:</b> N/A

<b>LESSOR(S):</b>	<b>INTEREST:</b>
NAME CONTINUED	KENNETH LEON REED AND TRESA J. REED, HUSBAND AND WIFE 1.00000000
ADDRESS	3216 CAMARIE AVENUE
CITY ST ZIP	MIDLAND, TX 79705
TIN:	
PHONE:	
EMAIL:	
NAME CONTINUED	
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE:	
EMAIL:	
	<b>TOTAL INTEREST:</b> 1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

\*\*\*PARAGRAPH 12) PROTECTION CLAUSE, STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.

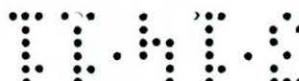
WT: MEI201027

VEP CK #: 8564

Lease Purchase Report

REVISED 3/32008

cj/ts





WESTERN NATIONAL BANK  
MIDLAND, TX

008564

88-737  
1163

9/15/2010

PAY TO THE ORDER OF Kenneth Leon Reed and Tresa J. Reed

\$\*\*100.00

One Hundred and 00/100\*\*\*\*\*  
DOLLARS

Kenneth Leon Reed and Tresa J. Reed  
Husband and Wife  
3216 Camarie Avenue  
Midland, TX 79705

*Shelley Ingram*  
AUTHORIZED SIGNATURE



MEMO MEI201027 L

⑈008564⑈

VERITAS 321 ENERGY PARTNERS, LP

008564

Kenneth Leon Reed and Tresa J. Reed

9/15/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
9/15/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201027 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4843

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JULY, 2010, between KENNETH LEON REED AND TRESA J. REED, husband and wife, as Lessor (whether one or more), whose address is: 3216 Camarie AV, Midland, TX 79705 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lot 4 and the S/2 of Lot 5, Block 28, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas,  
containing 0.241 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.241 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

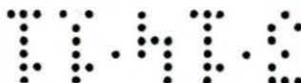
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fourth (1/4) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other one-fourth (1/4) products, the market value, at the mouth of the well, of one-fourth (1/4) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of



royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR: Kenneth Leon Reed  
KENNETH LEON REED

LESSOR: Tresa J. Reed  
TRESA J. REED

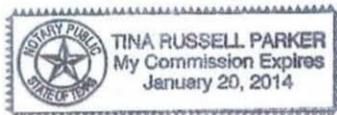


ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 27<sup>th</sup> day of August, 2010, by KENNETH LEON REED.



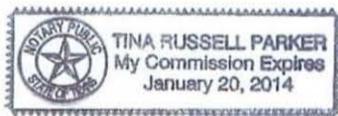
Tina Parker  
Notary Public, State of Texas

My Commission Expires: 01.20.14

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 27<sup>th</sup> day of August, 2010, by TRESA J. REED, wife of Kenneth Leon Reed.



Tina Parker  
Notary Public, State of Texas

My Commission Expires: 01.20.14

**FILED**  
AT 10:00 O'CLOCK A. M.  
ON THE 27 DAY OF September  
A.D., 2010  
INS. NO. 4843

Rebecca Badla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Hortensia Jones DEPUTY

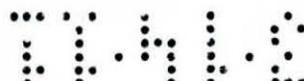
STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Badla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 152 PAGE 051  
RECORDED September 27, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	August 17, 2010	PROSPECT:	Deadwood
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

BILLY CHARLES JOHNSON

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

### PROPERTY DESCRIPTION:

N/2 OF LOT 5 AND ALL OF LOT 6, BLOCK 28, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.241 ACRES, MORE OR LESS.

NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	DOCUMENTS SUBMITTED:	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	ORIGINAL LEASE <input checked="" type="checkbox"/>	COMPLETED W9 <input checked="" type="checkbox"/>
RATIFICATION <input type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input checked="" type="checkbox"/>	MINERAL TAKEOFF <input checked="" type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input checked="" type="checkbox"/>	RECEIPT OF PAYMENT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input type="checkbox"/>	
BOOK: 150	PAGE: 205	ENTRY/REGISTER/MICROFILM: 4532	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: July 15, 2010	EFFECTIVE DATE: July 15, 2010	EXPIRATION DATE: July 15, 2013	TERM (YRS): 3
MINERAL INTEREST: 1.00000000	GROSS ACRES: 0.2410	NET ACRES: 0.2410	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.2410	SHUT-IN ROYALTY AMOUNT: \$0.24
BONUS PER ACRE: \$100 FLAT FEE	BONUS AMOUNT: \$100.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: BILLY CHARLES JOHNSON	1.00000000
CONTINUED	
ADDRESS: P.O. BOX 1185	
CITY ST ZIP: SPRINGTOWN, TX 76082	
TIN:	
PHONE:	
EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE:	
EMAIL:	
TOTAL INTEREST:	1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

### INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

\*\*\*PARAGRAPH 12...PROTECTION CLAUSE, STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.





WESTERN NATIONAL BANK  
MIDLAND, TX

008417

88-737  
1163

8/6/2010

PAY TO THE ORDER OF Billy Charles Johnson

\$\*\*100.00

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Billy Charles Johnson  
PO Box 1185  
Springtown, TX 76082

*Shelley Johnson*  
AUTHORIZED SIGNATURE



MEMO MEI201023 L

⑈008417⑈

VERITAS 321 ENERGY PARTNERS, LP

Billy Charles Johnson

8/6/2010

008417

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/5/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201023 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4532

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JULY, 2010, between BILLY CHARLES JOHNSON, as Lessor (whether one or more), whose address is: P O Box 1185, Springtown, TX 76082 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee: WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**N/2 of Lot 5 and All of Lot 6, Block 28, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas,  
containing 0.241 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.241 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of

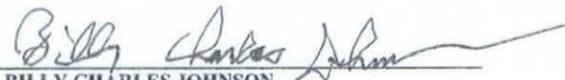


royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

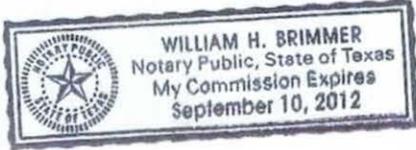
  
BILLY CHARLES JOHNSON

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MIDLAND Wise

This instrument was acknowledged before me on the 23 day of July, 2010, by BILLY CHARLES JOHNSON.



William H. Brimmer  
Notary Public, State of Texas

My Commission Expires: 9/10/12

**FILED**  
AT 10:00 O'CLOCK A. M.  
ON THE 12 DAY OF August  
A.D., 2010  
INS. NO. 4532

Rebecca Bada  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY Antonia Jones DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Bada  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 150 PAGE 205  
RECORDED August 12, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	September 1, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

BERRY T. JOHNSON, JR.

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

### PROPERTY DESCRIPTION:

THE N/2 OF LOT 5 AND ALL OF LOT 6, BLOCK 28 OF THE CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.241 ACRES, MORE OR LESS.

NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	DOCUMENTS SUBMITTED:	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	ORIGINAL LEASE <input checked="" type="checkbox"/>	COMPLETED W9 <input checked="" type="checkbox"/>
RATIFICATION <input type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input type="checkbox"/>	MINERAL TAKEOFF <input type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input type="checkbox"/>	RECEIPT OF PAYMENT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	
BOOK: 150	PAGE: 625	ENTRY/REGISTER/MICROFILM: 4624	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: July 1, 2010	EFFECTIVE DATE: July 1, 2010	EXPIRATION DATE: July 1, 2013	TERM (YRS): 3
MINERAL INTEREST: 0.50000000	GROSS ACRES: 0.2410	NET ACRES: 0.1205	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.1205	SHUT-IN ROYALTY AMOUNT: \$0.12
BONUS PER ACRE: \$100 FLAT FEE	BONUS AMOUNT: \$100.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	BERRY T. JOHNSON, JR.	INTEREST:	0.50000000
NAME			
CONTINUED			
ADDRESS	575 SE 2001 STREET		
CITY ST ZIP	ANDREWS, TX 79714		
TIN:			
PHONE:			
EMAIL:			
NAME			
CONTINUED			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE:			
EMAIL:			
	TOTAL INTEREST:		0.50000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

### INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

\*\*\*PARAGRAPH 12: SURFACE AREA WILL NOT BE USED FOR DRILLING; AND IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.



THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENTS.

DOCUMENT IS PRINTED ON CHEMICALLY RESISTIVE PAPER. THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENTS.



**VERITAS 321**  
ENERGY PARTNERS, LP  
P.O. Box 173  
Midland, Texas 79702  
432.682.4002

WESTERN NATIONAL BANK  
MIDLAND, TX

88-737  
1163

008416

8/6/2010

PAY TO THE ORDER OF Berry T. Johnson, Jr.

\$ \*\*100.00

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Berry T. Johnson, Jr.  
575 SE 2001 Street  
Andrews, TX 79714

*Shelley Ingham*  
AUTHORIZED SIGNATURE



MEMO MEI201021 L

⑈008416⑈ [REDACTED]

VERITAS 321 ENERGY PARTNERS, LP

Berry T. Johnson, Jr.

8/6/2010

008416

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/4/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201021 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4624

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 1st day of JULY, 2010, between BERRY T. JOHNSON JR., dealing in his sole and separate property, as Lessor (whether one or more), whose address is: 575 SE 2001<sup>ST</sup> ST., ANDREWS, TX 79714 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of **10.00** Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**The N/2 of Lot 5 and All of Lot 6, Blk 28 of the Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.241 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.241 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The



formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

  
BERRY T. JOHNSON JR.



BOOK 150 PAGE 627

ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF Midland

This instrument was acknowledged before me on the 9th day of July, 2010, by BERRY T. JOHNSON JR., dealing in his sole and separate property.



Kelly A Light  
Notary Public, State of Texas  
Kelly A Light  
Notary's Name (printed):

My Commission Expires: 10-5-13

FILED  
AT 8:00 O'CLOCK A. M.  
ON THE 30 DAY OF August  
A.D., 2010  
INS. NO. 4624

Rebecca Batla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Nathan Jones DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Batla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 150 PAGE 625  
RECORDED August 30, 2010



# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

<b>DATE:</b>	August 2, 2010	<b>PROSPECT:</b>	DEADWOOD
<b>PREPARED BY:</b>	VERITAS 321 ENERGY PARTNERS, LP (KT)	<b>AFE #</b>	072296
<b>APPROVED BY:</b>			

blue cell = formula inserted

**ASSIGNOR/LESSOR/GRANTOR:**

DELORES J. SMITH

**ASSIGNEE/LESSEE/GRANTEE:**

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

THE WEST 65 FEET OF LOTS 7 & 8, BLOCK 29, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.149 ACRES, MORE OR LESS.

<b>NEW</b> <input checked="" type="checkbox"/>	<b>FEDERAL</b> <input type="checkbox"/>	<b>DOCUMENTS SUBMITTED:</b>	
<b>RENEWAL</b> <input type="checkbox"/>	<b>STATE</b> <input type="checkbox"/>	<b>ORIGINAL LEASE</b> <input checked="" type="checkbox"/>	<b>COMPLETED W9</b> <input checked="" type="checkbox"/>
<b>RATIFICATION</b> <input type="checkbox"/>	<b>GOVT. AGENCY</b> <input type="checkbox"/>	<b>MEMORANDUM OF LEASE</b> <input checked="" type="checkbox"/>	<b>MINERAL TAKEOFF</b> <input checked="" type="checkbox"/>
<b>EXTENSION</b> <input type="checkbox"/>	<b>FEE</b> <input checked="" type="checkbox"/>	<b>LEASE PLAT</b> <input checked="" type="checkbox"/>	<b>RECEIPT OF PAYMENT</b> <input checked="" type="checkbox"/>
<b>AMENDED</b> <input type="checkbox"/>	<b>PAID-UP</b> <input checked="" type="checkbox"/>	<b>COPY OF DRAFT/CHECK</b> <input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>BOOK:</b> 149	<b>PAGE:</b> 623	<b>ENTRY/REGISTER/MICROFILM</b> 4446	<b>COUNTY/PH-ST</b> GLASSCOCK COUNTY, TX
<b>DATE:</b> June 15, 2010	<b>EFFECTIVE DATE:</b> June 15, 2010	<b>EXPIRATION DATE:</b> June 15, 2013	<b>TERM (YRS):</b> 3
<b>MINERAL INTEREST:</b> 1.00000000	<b>GROSS ACRES:</b> 0.1490	<b>NET ACRES:</b> 0.1490	<b>ROYALTY RATE:</b> 0.25000000
<b>CO. GWI</b> 1.00000000		<b>CO. NET ACRES:</b> 0.1490	<b>SHUT-IN ROYALTY AMOUNT:</b> \$0.15
<b>BONUS PER ACRE:</b> \$100 FLAT FEE	<b>BONUS AMOUNT:</b> \$100.00	<b>FIRST RENTAL DUE:</b> N/A	<b>RENTAL AMOUNT:</b> N/A

<b>LESSOR(S):</b>	<b>DELORES J. SMITH</b>	<b>INTEREST:</b>	1.00000000
NAME			
CONTINUED			
ADDRESS	912 JAYELLEN CT.		
CITY ST ZIP	BURLESON, TX 76028		
TIN:			
PHONE:			
EMAIL:			
NAME			
CONTINUED			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE:			
EMAIL:			
	<b>TOTAL INTEREST:</b>		1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**





**VERITAS 321**  
 ENERGY PARTNERS, LP  
 P.O. Box 173  
 Midland, Texas 79702  
 432.682.4002

WESTERN NATIONAL BANK  
 MIDLAND, TX

88-737  
 1163

008331

7/15/2010

PAY TO THE ORDER OF Delores J. Smith

\$\*\*100.00

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Delores J. Smith  
 912 Jayellen Ct.  
 Burleson, TX 76028

MEMO Mei201020 L

*Shelley Anger*  
 AUTHORIZED SIGNATURE



⑈008331⑈ [REDACTED]

VERITAS 321 ENERGY PARTNERS, LP

008331

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/15/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP Mei201020 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4446

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JUNE, 2010, between DELORES JAY SMITH, dealing in her sole and separate property, as Lessor (whether one or more), whose address is: 912 JAYELLEN CT., BURLESON, TX 76028 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee: WITNESSETH:

1. Lessor, in consideration of **10.00** Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

The West 65 feet of Lots 7 and 8, Block 29, Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.149 acres, more or less.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.149 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

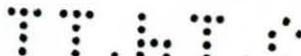
4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The

formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR: Delores J. Smith  
DELORES JAY SMITH



ACKNOWLEDGMENT

STATE OF TEXAS §  
COUNTY OF Johnson §

This instrument was acknowledged before me on the 6 day of July, 2010, by DELORES JAY SMITH, dealing in her sole and separate property.

*[Signature]*  
Notary Public, State of Texas

 LISA MITCHEM  
Notary Public  
STATE OF TEXAS  
My Comm. Exp. 03/08/2011  
Notary Name (printed):  
Commission Expires:

**FILED**  
AT 10:00 O'CLOCK A. M.  
ON THE 29 DAY OF July  
A.D., 2010  
INS. NO. 4446

*Rebecca Barla*  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY *[Signature]* DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.

 *Rebecca Barla*  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 149 PAGE 623  
RECORDED July 29, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	September 1, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

TERRY LEE RILEY

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOT 9, BLOCK 29, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.161 ACRES, MORE OR LESS.

NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	DOCUMENTS SUBMITTED:	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	ORIGINAL LEASE <input checked="" type="checkbox"/>	COMPLETED W9 <input checked="" type="checkbox"/>
RATIFICATION <input type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input type="checkbox"/>	MINERAL TAKEOFF <input type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input type="checkbox"/>	RECEIPT OF PAYMENT <input type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	
BOOK: 150	PAGE: 628	ENTRY/REGISTER/MICROFILM: 4625	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: June 15, 2010	EFFECTIVE DATE: June 15, 2010	EXPIRATION DATE: June 15, 2013	TERM (YRS): 3
MINERAL INTEREST: 1.00000000	GROSS ACRES: 0.1610	NET ACRES: 0.1610	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.1610	SHUT-IN ROYALTY AMOUNT: \$0.16
BONUS PER ACRE: \$100.00 FLAT FEE	BONUS AMOUNT: \$100.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: TERRY LEE RILEY	1.00000000
CONTINUED	
ADDRESS: P.O. BOX 50713	
CITY ST ZIP: DENTON, TX 76206	
TIN:	
PHONE:	
EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE:	
EMAIL:	
TOTAL INTEREST:	1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

\*\*\*PARAGRAPH 12: SURFACE AREA WILL NOT BE USED FOR DRILLING; AND IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.





WESTERN NATIONAL BANK  
MIDLAND, TX

008422

88-737  
1163

8/6/2010

PAY TO THE ORDER OF Terry Lee Riley

\$ \*\*100.00

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Terry Lee Riley  
PO Box 50713  
Denton, TX 76206

*Shelley Ingram*  
AUTHORIZED SIGNATURE



MEMO MEI201021

⑈008422⑈

VERITAS 321 ENERGY PARTNERS, LP

008422

Terry Lee Riley

8/6/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/4/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201021

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4625

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JUNE, 2010, between TERRY LEE RILEY, dealing in his sole and separate property, as Lessor (whether one or more), whose address is: P.O. BOX 50713, DENTON, TX 76206 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622. Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lot 9, Block 29, Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.161 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.161 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

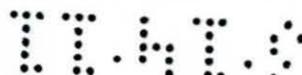
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The

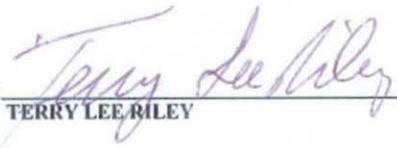


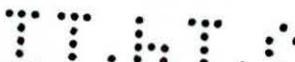
formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

  
TERRY LEE RILEY



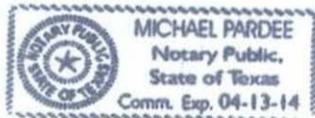
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF Denton

2009 08 30

This instrument was acknowledged before me on the 1 day of July, 2010, by TERRY LEE RILEY, dealing in his sole and separate property.



[Signature]  
Notary Public, State of Texas

Michael Pardee  
Notary's Name (printed):

My Commission Expires: 4/13/2014

FILED  
AT 8:00 O'CLOCK A. M.  
ON THE 30 DAY OF August  
A.D., 2010  
INS. NO. 4625

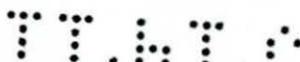
Rebecca Badla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY [Signature]  
DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Badla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 150 PAGE 628  
RECORDED August 30, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	September 13, 2010	PROSPECT:	Deadwood
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

STEVE M. PELZEL AND DEBORAH J. PELZEL

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

### PROPERTY DESCRIPTION:

LOT 11 AND 12, BLOCK 29, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.321 ACRES, MORE OR LESS.

NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	DOCUMENTS SUBMITTED:	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	ORIGINAL LEASE <input checked="" type="checkbox"/>	COMPLETED W9 <input checked="" type="checkbox"/>
RATIFICATION <input type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input type="checkbox"/>	MINERAL TAKEOFF <input type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input type="checkbox"/>	RECEIPT OF PAYMENT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	
BOOK: 150	PAGE: 827	ENTRY/REGISTER/MICROFILM: 4675	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: July 15, 2010	EFFECTIVE DATE: July 15, 2010	EXPIRATION DATE: July 15, 2013	TERM (YRS): 3
MINERAL INTEREST: 1.00000000	GROSS ACRES: 0.3210	NET ACRES: 0.3210	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.3210	SHUT-IN ROYALTY AMOUNT: \$0.32
BONUS PER ACRE: \$100 FLAT FEE	BONUS AMOUNT: \$100.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	STEVE M. PELZEL AND DEBORAH J. PELZEL	INTEREST:	1.00000000
NAME:			
CONTINUED			
ADDRESS:	P.O. BOX 214		
CITY ST ZIP:	GARDEN CITY, TX 79739		
TIN:			
PHONE:			
EMAIL:			
NAME:			
CONTINUED			
ADDRESS:			
CITY ST ZIP:			
TIN:			
PHONE:			
EMAIL:			
	TOTAL INTEREST:		1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

### INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

\*\*\*PARAGRAPH 12)...SURFACE AREA WILL NOT BE USED FOR DRILLING AND IF ANOTHER WELL IS DRILLED IN IMMEDIATE AREA, IT WILL BE DIRECTIONALLY DRILLED.


WT: MEI201025  
VEP CK #: 8489  
Lease Purchase Report

REVISED 3/32008

cj/ts



THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES



**VERITAS 321**  
ENERGY PARTNERS, LP  
P.O. Box 173  
Midland, Texas 79702  
432.682.4002

WESTERN NATIONAL BANK  
MIDLAND, TX

88-737  
1163

008489

8/26/2010

PAY TO THE ORDER OF Steve Pelzel and Deborah Pelzel

\$ **\*\*100.00**

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Steve Pelzel and Deborah J. Pelzel  
PO Box 214  
Garden City, TX 79739

*Shelley Taylor*  
AUTHORIZED SIGNATURE



MEMO MEI201025 L

⑈008489⑈ [REDACTED]

VERITAS 321 ENERGY PARTNERS, LP  
Steve Pelzel and Deborah Pelzel

008489

Date	Type	Reference	Original Amt.	Balance Due	8/26/2010 Discount	Payment
8/26/2010	Bill	Flat Fee	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201025 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4675

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JULY, 2010, between STEVE M. PELZEL AND DEBORAH J. PELZEL, husband and wife, as Lessor (whether one or more), whose address is: P O Box 214, Garden City, TX 79739 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lot 11 and 12, Block 29, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas,  
containing 0.321 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.321 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks. Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of

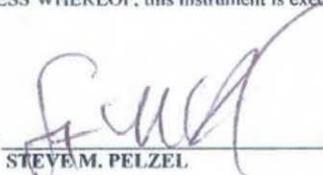


royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

  
STEVE M. PELZEL

LESSOR:

  
DEBORAH J. PELZEL



ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 6<sup>th</sup> day of Aug., 2010, by STEVE M. PELZEL.



Tina Moreno  
Notary Public, State of Texas

My Commission Expires: 08-25-2010

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 6<sup>th</sup> day of Aug., 2010, by DEBORAH J. PELZEL, wife of Steve M. Pelzel.



Tina Moreno  
Notary Public, State of Texas

My Commission Expires: 08-25-2010

FILED

AT 8:00 O'CLOCK A. M.  
ON THE 7 DAY OF September  
A.D., 2010  
INS. NO. 4675

Rebecca Badla

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY Hortensia Jones DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Badla

County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 150 PAGE 827

RECORDED September 7, 2010



# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	October 19, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:	blue cell = formula inserted		

ASSIGNOR/LESSOR/GRANTOR:

DANA G. HENRICHS

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOT 1, 2 AND 3, BLOCK 41, CALVERLEY HEIGHTS ADDITION, LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.241 ACRES, MORE OR LESS.

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	<b>DOCUMENTS SUBMITTED:</b>	
<input type="checkbox"/> RENEWAL	<input type="checkbox"/> STATE	<input checked="" type="checkbox"/> ORIGINAL LEASE	<input checked="" type="checkbox"/> COMPLETED W9
<input type="checkbox"/> RATIFICATION	<input type="checkbox"/> GOVT. AGENCY	<input type="checkbox"/> MEMORANDUM OF LEASE	<input type="checkbox"/> MINERAL TAKEOFF
<input type="checkbox"/> EXTENSION	<input checked="" type="checkbox"/> FEE	<input type="checkbox"/> LEASE PLAT	<input type="checkbox"/> RECEIPT OF PAYMENT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input checked="" type="checkbox"/> COPY OF DRAFT/CHECK	<input type="checkbox"/>

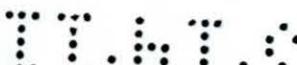
BOOK: 152	PAGE: 843	ENTRY/REGISTER/MICROFILM: 4973	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: July 15, 2010	EFFECTIVE DATE: July 15, 2010	EXPIRATION DATE: July 15, 2013	TERM (YRS): 3
MINERAL INTEREST: 1.00000000	GROSS ACRES: 0.4820	NET ACRES: 0.4820	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.4820	SHUT-IN ROYALTY AMOUNT: \$0.48
BONUS PER ACRE: \$250.00	BONUS AMOUNT: \$120.50	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

<b>LESSOR(S):</b>	<b>DANA G. HENRICHS</b>	<b>INTEREST:</b>	1.00000000
NAME			
CONTINUED			
ADDRESS	P.O. BOX 322		
CITY ST ZIP	GARDEN CITY, TX 79739		
TIN:			
PHONE:			
EMAIL:			
NAME			
CONTINUED			
ADDRESS	500 WEST KEATHLEY		
CITY ST ZIP	GARDEN CITY, TX 79739		
TIN:			
PHONE:			
EMAIL:			
	<b>TOTAL INTEREST:</b>		<b>1.00000000</b>

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

\*\*\*P 12) PROTECTION CLAUSE, STATING THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE TO BE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.



008622



**VERITAS 321**  
ENERGY PARTNERS, LP  
P.O. Box 173  
Midland, Texas 79702  
432.682.4002

WESTERN NATIONAL BANK  
MIDLAND, TX

88-737  
1163

9/22/2010

PAY TO THE ORDER OF Dana G. Henrichs

\$ \*\*120.50

One Hundred Twenty and 50/100\*\*\*\*\* DOLLARS

Dana G. Henrichs  
PO Box 322  
Garden City, Tx 79739

*Shelley Anger*  
AUTHORIZED SIGNATURE



MEMO  
MEI201030 L

⑈008622⑈

VERITAS 321 ENERGY PARTNERS, LP

008622

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
9/22/2010	Bill	Bonus	120.50	120.50		120.50
				Check Amount		120.50

(WNB) Veritas 321 EP MEI201030 L

120.50

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4943

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of JULY, 2010, between DANA G. HENRICH, dealing in her separate property, as Lessor (whether one or more), whose address is: P O Box 322, Garden City, TX 79739 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lot 1,2 and 3, Block 41, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S,  
Glasscock County, Texas, containing 0.241 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.482 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fourth (1/4) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other one-fourth (1/4) products, the market value, at the mouth of the well, of one-fourth (1/4) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of



royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other mineral, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

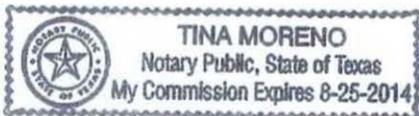
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR: Dana G. Henrichs  
Dana G. Henrichs

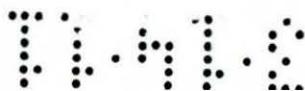
ACKNOWLEDGMENT

STATE OF TEXAS                   §  
  §  
COUNTY OF GLASSCOCK       §

This instrument was acknowledged before me on the 13<sup>th</sup> day of September, 2010, by Dana G. Henrichs, dealing in her separate property.



Tina Moreno  
Notary Public, State of Texas



FILED

AT 10:00 O'CLOCK A. M.  
ON THE 12 DAY OF October  
A.D., 2010  
INS. NO. 4973

*Rebecca Badla*

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY *Nortensin Jones* DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



*Rebecca Badla*

County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 152 PAGE 843  
RECORDED October 12, 2010

FILED



# MARINER ENERGY, INC.

**PRELIM**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	September 27, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

CURTIS PALMER

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOTS 1 AND 2, BLOCK 42, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.321 ACRES, MORE OR LESS.

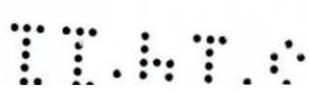
NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	<b>DOCUMENTS SUBMITTED:</b>	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	COPY OF ORIGINAL LEASE <input checked="" type="checkbox"/>	COMPLETED W9 <input type="checkbox"/>
RATIFICATION <input type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input type="checkbox"/>	MINERAL TAKEOFF <input type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input type="checkbox"/>	RECEIPT OF PAYMENT <input type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input type="checkbox"/>	
BOOK: TBR	PAGE: TBR	ENTRY/REGISTER/MICROFILM TBR	COUNTY/PH-ST GLASSCOCK COUNTY, TX
DATE: June 25, 2010	EFFECTIVE DATE: June 25, 2010	EXPIRATION DATE: June 25, 2013	TERM (YRS): 3
MINERAL INTEREST: 1.00000000	GROSS ACRES: 0.3210	NET ACRES: 0.3210	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.3210	SHUT-IN ROYALTY AMOUNT: \$0.32
BONUS PER ACRE: \$100 FLAT RATE	BONUS AMOUNT: \$100.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

<b>LESSOR(S):</b>	<b>INTEREST:</b>
NAME: CURTIS PALMER	1.00000000
ADDRESS: C/O: BUFFY DEMPSEY, POWER-OF-ATTORNEY	
CITY ST ZIP: P.O. BOX 424	
TIN: HAPPY, TX 79042	
PHONE: <b>ACQUIRING</b>	
EMAIL:	
NAME:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE:	
EMAIL:	
TOTAL INTEREST:	1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

\*\*\*P 12) PROTECTION CLAUSE, STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.





RETURN THIS COPY

October 12, 2010

Curtis Palmer  
C/O: Buffy Dempsey  
P.O. Box 424  
Happy, TX 79042

**RE: *Bonus Consideration for Oil, Gas & Mineral Lease***

LOTS 1 AND 2, BLOCK 42, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, T-4-S, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.321 ACRES, MORE OR LESS.

**GLASSCOCK COUNTY, TEXAS**

Dear Ms. Dempsey:

In receipt of your Curtis Palmer's executed Oil and Gas Lease covering the captioned property, enclosed is **check number 008670** made payable to him in the amount of **\$100.00** for his share of the bonus consideration (*0.3210 net acres*).

*Please acknowledge your receipt hereof by signing in the space provided below and returning one copy of this letter to the undersigned in the envelope provided.*

Thank you for your cooperation in this matter. Should you have any questions, please advise.

Sincerely,

Kelsey Tatsch  
Lease Analyst  
Extension 119

Received this 22 day of October, 2010.

Buffy Dempsey, Power-of-Attorney  
**Buffy Dempsey, Power-of-Attorney**

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 25th day of JUNE, 2010, between CURTIS PALMER, as Lessor (whether one or more), whose address is: P.O. BOX 424, HAPPY, TX 79042 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of **10.00** Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lots 1 and 2, Block 42, Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.321 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.321 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

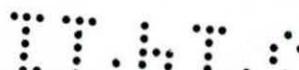
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The



formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

  
CURTIS PALMER



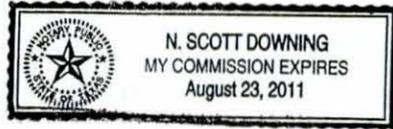
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF Sewisher

§  
§  
§

This instrument was acknowledged before me on the 26 day of July, 2010, by CURTIS PALMER.



N. Scott Downing  
Notary Public, State of Texas  
N. Scott Downing  
Notary's Name (printed):  
My Commission Expires 8/23/11



# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	September 13, 2010	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	A/E #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

EMMA C. SCHAFER

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

### PROPERTY DESCRIPTION:

ALL OF BLOCK 1 AND LOT 1, 2 AND 3, BLOCK 13, CALVERLEY HEIGHTS ADDITION, LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS, CONTAINING 2.548 ACRES, MORE OR LESS.

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	<b>DOCUMENTS SUBMITTED:</b>	
<input type="checkbox"/> RENEWAL	<input type="checkbox"/> STATE	<input checked="" type="checkbox"/> ORIGINAL LEASE	<input checked="" type="checkbox"/> COMPLETED W9
<input type="checkbox"/> RATIFICATION	<input type="checkbox"/> GOVT. AGENCY	<input type="checkbox"/> MEMORANDUM OF LEASE	<input type="checkbox"/> MINERAL TAKEOFF
<input type="checkbox"/> EXTENSION	<input checked="" type="checkbox"/> FEE	<input type="checkbox"/> LEASE PLAT	<input type="checkbox"/> COPY OF ORIGINAL PATENT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input checked="" type="checkbox"/> COPY OF DRAFT/CHECK	<input checked="" type="checkbox"/> RECEIPT OF PAYMENT
BOOK: 150	PAGE: 830	ENTRY/REGISTER/MICROFILM: 4676	COUNTY/PH-ST: GLASSCOCK COUNTY, TEXAS
DATE: August 15, 2010	EFFECTIVE DATE: August 15, 2010	EXPIRATION DATE: August 15, 2013	TERM (YRS): 3
MINERAL INTEREST: 0.90541601	GROSS ACRES: 2.5480	NET ACRES: 2.3070	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$250.00	BONUS AMOUNT: \$576.75	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

<b>LESSOR(S):</b>	<b>EMMA C. SCHAFER</b>	<b>INTEREST:</b>	0.90541601
NAME			
CONTINUED			
ADDRESS	P.O. BOX 194		
CITY ST ZIP	GARDEN CITY, TEXAS 79739		
TIN:			
PHONE:			
EMAIL:			
NAME			
CONTINUED			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE:			
EMAIL:			
	<b>TOTAL INTEREST:</b>		<b>0.90541601</b>

SEE ADDITIONAL PAGES OR ATTACHMENTS

### INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

PARAGRAPH 12...NO DRILLING OPERATIONS WOULD BE ON LAND LOCATED IN THE GARDEN CITY BOUNDARIES PER THE MAP RECORDED IN THE COURTHOUSE (VOLUME 1, PAGE 1) OR BY WAY OF DIRECTIONAL DRILLING.

WT: MEI201026  
VEP CK #: 8491  
Lease Purchase Report

REVISED 3/32008

cj/ts



THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED ENCROUSURE LINES



**VERITAS 321**  
ENERGY PARTNERS, LP  
P.O. Box 173  
Midland, Texas 79702  
432.682.4002

WESTERN NATIONAL BANK  
MIDLAND, TX

88-737  
1163

008491

8/26/2010

PAY TO THE ORDER OF Emma Schafer

\$ \*\*576.75

Five Hundred Seventy-Six and 75/100\*\*\*\*\*

DOLLARS

Emma Schafer  
P.O. Box 194  
Garden City, TX 79739

*Shelley Ayers*  
AUTHORIZED SIGNATURE



MEMO MEI201026 L

⑈008491⑈



VERITAS 321 ENERGY PARTNERS, LP

Emma Schafer

8/26/2010

008491

Date Type Reference  
8/26/2010 Bill Bonus Consideration

Original Amt.  
576.75

Balance Due Discount  
576.75  
Check Amount

Payment  
576.75  
576.75

(WNB) Veritas 321 EP MEI201026 L

576.75

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

# 4676

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 15th day of AUGUST, 2010, between EMMA C. SCHAFER, dealing in her separate property, as Lessor, whose address is: Box 194, Garden City, Texas 79739-0194, and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622. Lessee: WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**All of Block 1 and Lot 1, 2 and 3, Block 13, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas,  
containing 2.548 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 2.548 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks. Lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fourth (1/4) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other one-fourth (1/4) products, the market value, at the mouth of the well, of one-fourth (1/4) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of



royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

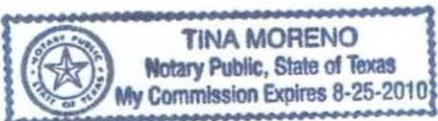
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR: Emma C. Schaffer  
EMMA C. SCHAFER

ACKNOWLEDGMENT

STATE OF TEXAS                   §  
   §  
COUNTY OF GLASSCOCK       §

This instrument was acknowledged before me on the 18<sup>th</sup> day of August, 2010, by EMMA C. SCHAFER, dealing in her separate property.



Tina Moreno  
Notary Public, State of Texas  
My Commission Expires: 08-25-2010



**FILED**  
AT 8:00 O'CLOCK A. M.  
ON THE 7 DAY OF September  
A.D., 2010  
INS. NO. 4676

Rebecca Barla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Hortencia Juan DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

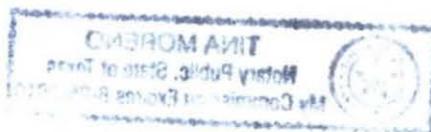
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Barla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 150 PAGE 830  
RECORDED September 7, 2010



**VERITAS 321 ENERGY PARTNERS, LP**

P.O. BOX 173  
MIDLAND, TEXAS 79702  
(432) 682-4002  
(432) 684-4741 fax

**MINERAL OWNERSHIP REPORT**

PROSPECT:	<b>DEADWOOD</b>	PREPARED BY:	<b>PHIL HAMMOND</b>
COUNTY OF:	<b>GLASSCOCK</b>	POSTED DATE:	<b>March 7, 2007</b>
STATE OF:	<b>TEXAS</b>	REPORT DATE:	<b>May 4, 2009 Revised June 16, 2009</b>
		INDEX DATE:	<b>April 8, 2009</b>
		Mineral Ownership Report	<b>X</b>
		Surface Ownership Report	

**DESCRIPTION:**

*All of Section 1, Block 34, Township 4 South, T&P RR Co. Sy., Glasscock, Texas, Save and Except: Lots 2, 3 and 10, Block 12, Lots 9, 10, 11 and 12, Block 25, Lots 1-9, Block 31, Lots 1, 2 and 3, Block 40, comprising 2.782 acres, and Blocks 1, 2, 13, 14, 15, 16, 27, 28, 29, 30, 41 and 42 all in Calverley Heights Addition to the Town of Garden City, Glasscock County, Texas, comprising 39.3059 acres and a 19.216 Acre Tract of land more fully described by metes and bounds in that certain Quitclaim Deed, dated January 30, 1979, from Stephen Calverley, Jr. Trustee, et al, to Glasscock County ISD, recorded in Volume 170, Page 150 of Deed Records of Glasscock County, and a 5 acre tract of land more fully described by metes and bounds in Warranty Deed, dated July 5, 1909 from A.J. Mayer and W.H. Summers, Trustees to G.L. Bogard County Judge, recorded in Volume 8, Page 260 of the Deed Records of Glasscock County, Texas. **Please See Notes 1, 2, 3 and 4.***

SURFACE OWNER(S):	Not Determined
PHONE NO.:	
NOTES:	Ownership is based off Runsheet provided by Choate Company, Inc.

## START OF REPORT

**DESCRIPTION:** All of Section 1, Block 34, Township 4 South, T&P RR Co. Sy., Glasscock, Texas, **Save and Except:** Lots 2, 3 and 10, Block 12, Lots 9, 10, 11 and 12, Block 25, Lots 1-9, Block 31, Lots 1, 2 and 3, Block 40, comprising 2.782 acres, and Blocks 1, 2, 13, 14, 15, 16, 27, 28, 29, 30, 41 and 42 all in Calverley Heights Addition to the Town of Garden City, Glasscock County, Texas, comprising 39.3059 acres and a 19.216 Acre Tract of land more fully described by metes and bounds in that certain Quitclaim Deed, dated January 30, 1979, from Stephen Calverley, Jr. Trustee, et al, to Glasscock County ISD, recorded in Volume 170, Page 150 of Deed Records of Glasscock County, and a 5 acre tract of land more fully described by metes and bounds in Warranty Deed, dated July 5, 1909 from A.J. Mayer and W.H. Summers, Trustees to G.L. Bogard County Judge, recorded in Volume 8, Page 260 of the Deed Records of Glasscock County, Texas, a Right of Way for State Highway 33, in Section 1, Block 34, Township 4 South, T&P RR Co. Sy more fully described in Right of Way Deed 56/226.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES				
E.D.B. Ltd., A Texas Limited Partnership Brenda Cook Nix, General Partner P.O. Box 1541 Athens, TX 75751 See Notes 1 and 2	1.00000000	565.0646 See Note 2	<p><b>Leased to MPI Energy Partners, LP (now Element Petroleum, LP)</b> see below Last OGL Date: 3/26/2007 Lessor: E.D.B. Ltd. Lessee: MPI Energy Partners, LP Term: 2 years ending on March 26, 2009 Royalty: 1/5 Vol./Pg.: 101/50 Lands: Tract 1: All of Sec.1/34/4S-S&amp;E Lots &amp; Blocks in SW/4 &amp; W/2SE/4; N/2 &amp; SW/4 of Sec.2/34/4S; S/2 of Sec.6/34/4S; All of Sec.11/34/4S; All of Sec.13/34/4S S&amp;E 40 in NE/4; All of Sec.19/33/5S; All of Sec.24/34/5S; Tract 2: All of Sec.17/34/4S *Special Provisions: 90 Day CDC; Vertical Pugh Clause; Horizontal Pugh ("as to all depths 100' below the stratigraphic equivalent of the base of the deepest producing formation on each proration unit")</p> <p>This lease is now owned as follows:</p> <table> <tr> <td>Element Petroleum, LP</td> <td>50.00%</td> </tr> <tr> <td>Mariner Energy, Inc.</td> <td>50.00%</td> </tr> </table> <p><b>The lease is being maintained under the continuous development clause by Mariner Energy, Inc.</b></p>	Element Petroleum, LP	50.00%	Mariner Energy, Inc.	50.00%
Element Petroleum, LP	50.00%						
Mariner Energy, Inc.	50.00%						
<b>TOTALS FOR MINERAL OWNERSHIP</b>	<b>1.00000000</b>	<b>565.0646</b>					

**DESCRIPTION:** All of Lots 10, 11, and 12 of Block 31 out of Section 1, Block 34, Township 4 South, T & P RR Co. Sy., consisting of 0.482093664 acres, more or less.

NAME OF MINERAL OWNER	INTEREST	NET ACRES	LEASEHOLD & EXP DATES
Roy Lee McDaniel P.O. Box 178 Garden City, TX 79739	100%	0.482093664	<b>OPEN</b> See Note 2
<b>TOTALS FOR MINERAL OWNERSHIP</b>	<b>100%</b>	<b>0.482093664</b>	

**DESCRIPTION:** All of Lots 5 and 6 of Block 39 out of Section 1, Block 34, Township 4 South, T & P RR Co. Sy., consisting of 0.32139578 acres, more or less.

NAME OF MINERAL OWNER	INTEREST	NET ACRES	LEASEHOLD & EXP DATES
Edith Cook Books P.O. Box 2069 Athens, TX 75751	100%	0.32139578	<b>OPEN</b> See Note 2
<b>TOTALS FOR MINERAL OWNERSHIP</b>	<b>100%</b>	<b>0.32139578</b>	

**DESCRIPTION:** A strip of land as it underlies and an additional 60 feet on each side of Highway 33 as it pertains to Section 1, Block 34, Township 4 South, T & P RR Co. Sy., more particularly described by metes and bounds in Right of Way Deed 56/226 DR. Exact acreage is unknown.

NAME OF MINERAL OWNER	INTEREST	NET ACRES	LEASEHOLD & EXP DATES
State of Texas Acting by and through the Texas State Highway Commission	100%	Unknown (7.828 Minimum) See Note	<b>OPEN</b>
<b>TOTALS FOR MINERAL OWNERSHIP</b>	<b>100%</b>	<b>7.828</b>	

**Note 1:** Lands described within Section 1 of Oil and Gas Lease 101/50, are HBP by Element Petroleum Operating LLC's ED Books 11 (API: 173-33499) drilled in Section 11, Block 34, Township 4 South, T & P RR Co. Sy., with the completion of this well, Lessee per the 90 day CDC in Lease will have 90 days to fulfill the CDC or the lease as to undrilled proration units will expire.

**Note 2:** The Land Description in this report is based off Oil and Gas Lease 101/50 OPR, it appears that three tracts that were included in this Lease were not and are currently not owned by E.D.B. Limited. Lots 10, 11 and 12 in Block 31 and Lots 5 and 6, Block 39 Calverley Heights an addition to the Town of Garden City containing 0.80348944 acres, more or less, are included in OGL 101/50 with E.D.B. Ltd., as Lessor. It is believed that lots 10, 11 and 12, Block 31 are owned by Roy Lee McDaniel and Lots 5 and 6, Block 39 are owned by Edith Cook Books. Also, Land as it underlies and an additional 60 feet on each side of RR 33 as it pertains to Section 1, Block 34, T4S, more particularly described by metes and bounds Right of Way Deed 56/226 DR is included in OGL 101/50, this is believed to be owned by the State of Texas. The cumulative acreage for these tracts have been deducted from the total acreage credited to EDB Ltd.

**Note 3:** All streets and alleys per plat of Calverley Heights an addition to the Town of Garden City, recorded 29/450 DR, save and except those streets and alleys included in lands described in Note 2, are owned by E.D.B. Ltd.

**Note 4:** Land as it underlies RR 33 from the North line of Section 1 to the North line of Calverley Heights also being described as tract one in Right of Way Deed 56/226, is 7.828 acres. Land as it underlies RR from the North line of Calverley Heights as platted to the North line of Section 12, also being described as tracts 2-10 in Right of Way Deed 56/226, acreage is unable to be determined for these tracts. Please refer to plat of Calverley Heights recorded 29/450 DR for a more complete description.

*End of Report*



Standard 88 RFL  
PAID-UP

#561

BOOK 0101 PAGE 050

OIL AND GAS LEASE

This Agreement made and entered into this 26th day of March, 2007, by between E.D.B., Ltd., a Texas Limited Partnership, whose General Partner is Brenda Cook Nix, P.O. Box 1541, Athens, Texas 75751, herein called Lessor, and MPI Energy Partners, LP, 110 W. Louisiana, Suite 405, Midland, TX 79701, herein called Lessee. WITNESSETH:

1. Lessor for and in consideration of Ten Dollars and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting, including seismic operations, drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil, building roads, constructing power lines, and building structures thereon to produce, save, take care of, treat and transport said products, the following lands situated in Glasscock County, Texas, to-wit:

See Exhibit "A" attached hereto,

considered for all purposes of this lease as containing 4,533.6961 acres, whether there be more or less.

2. Subject to the other provisions herein contained, this lease shall be for a primary term of two (2) years ending on March 26, 2009, (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land under the provisions hereof.

3. When production of oil and/or gas is secured, Lessee agrees to pay or deliver to Lessor during the term hereof:

(a) As a royalty on oil, which is defined as including all hydrocarbons produced in liquid form at the mouth of the well and all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas by separator as required below, twenty percent (20%) of that produced and saved, the same to be delivered at the well or to the credit of Lessor into the pipe line to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession paying therefor 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 for the field where produced and when run, or the gross proceeds of the sale thereof, whichever is greater.

(b) As a royalty on any gas, which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (a) above, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of twenty percent (20%) of the gas so sold or used. Lessee agrees that before any gas produced is sold or used off said land, 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.

(c) Anything in subparagraphs (a) and (b) above to the contrary notwithstanding, Lessor may at any time, or from time to time, upon not less than sixty (60) days written notice to Lessee, require that payment of any royalties provided for herein be made in kind. All equipment and facilities necessary to separately gather, measure, transport, and dispose of the royalty share of gas shall be constructed, installed, and maintained at the sole risk, cost, and expense of Lessor. At such time or times as Lessor is not taking royalty gas in kind, the market value of gas sold at the wells by Lessee shall be conclusively presumed to be the price realized by Lessee for the same thereof.

(d) Any other provision herein contained to the contrary notwithstanding, the payment of royalties shall be the individual obligation of Lessee and all royalties shall be paid commencing one hundred twenty (120) days after the last day of the month in which the initial sale of oil or gas produced from the above described land occurs, on oil on or before sixty (60) days after the last day of each month during which oil is produced and on gas on or before sixty (60) days after the last day of each month during which gas is produced. If Lessee fails to pay any royalty as herein provided, such payments shall be deemed delinquent and shall bear interest from the date such payment became delinquent until paid, at a rate equal to the highest lawful rate permitted by the laws of the State of Texas, on the unpaid balance until paid, with such interest to be calculated daily. If the payment of royalties becomes delinquent, Lessor may, without other notice than this paragraph file suit for all such unpaid sums and all court costs and attorneys' fees.

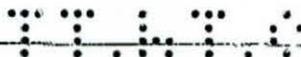
(e) Lessee shall furnish Lessor, in writing, within sixty (60) days of the initial sale by Lessor of any oil or gas under the terms of this lease with (1) the name and address of the purchaser thereof, (2) the lease number, division order number, or such other information as may be necessary to identify the lease premises on the records of the purchaser, and (3) the date that such sales commence; thereafter Lessee shall furnish Lessor in writing within sixty (60) days of any change in (1) the name and/or address of the purchaser(s), (2) the lease numbers, division order numbers, or any other information necessary to identify the lease premises on the records of the purchaser and (3) the date any new purchaser commences purchasing.

4. Lessee agrees that all royalties accruing under the lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

5. If at the end of the primary term or any time thereafter this lease is not otherwise being maintained in force, it shall nevertheless remain in force as long as Lessee engages in drilling, reworking or any other operations reasonably calculated to obtain or restore production on the leased premises or lands pooled therewith without an interruption of more than ninety (90) consecutive days, and, if such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities.

6. After the time that the above described land has been drilled to a density necessary to entitle each well producing oil and/or gas in paying quantities, to the maximum production allowable, under the rules and regulations of governmental authority having jurisdiction, but not prior thereto, Lessee is hereby granted the right to pool or unitize all of the land covered by this lease that is not allocated to a producing well, but not a part thereof, with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled for oil hereunder shall not exceed eighty (80) acres plus a tolerance of ten percent (10%), and units pooled for gas hereunder shall not exceed six hundred forty (640) acres plus a tolerance of ten percent (10%). Lessee shall file written unit designations in the county in which the premises are located and furnish a copy thereof to Lessor. Such units may be designated either before or after the completion of well. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of its acreage placed in the unit or its royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

7. Lessee shall have free use of oil and gas from said land for all operations hereunder and the royalties shall be computed after deducting any so used. No potable water may be used for drilling operations, repressuring, or secondary recovery operations without Lessor's prior written consent. Lessee shall have the right at any time until one hundred eighty (180) days after the expiration or termination of this lease to remove all personal property and equipment placed by Lessee on said premises, including the right to draw and remove all casing. Any such personal property, equipment or casing remaining on said premises after the expiration of said one hundred eighty (180)-day period shall be conclusively presumed to have been abandoned by Lessee, and shall become the property of Lessor.



8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the land, rentals or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder. Any assignment of this lease, in whole or in part, shall be recorded in each county in which the leased premises is located and a certified copy of such recorded assignment shall be sent to Lessor within thirty (30) days from the date of such assignment; notwithstanding any actual or constructive knowledge or notice of such assignment, of or to Lessor, Lessor's successors or assigns, Lessee shall remain obligated under this lease as though such assignment had never been made until such certified copy is so delivered to Lessor.

9. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides, and lightning; laws, acts, orders or requests of federal, state, municipal or other governments or governmental officers or agents under color of authority. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

10. Lessor hereby warrants and agrees to defend the title to said land against those claiming by, through or under it, but not otherwise, and agrees that Lessee, at its option, may discharge any tax, mortgage or other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of such failure of title, it is agreed that, if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and surface damages, if any, to be paid Lessor shall be reduced proportionately.

11. If at the expiration of the primary term or at any time thereafter, there is located on the leased premises a well or wells capable of producing gas in paying quantities and such gas is not produced for lack of a suitable market and this lease is not being maintained in force and effect under the other terms and provisions hereof, Lessee may pay as royalty a sum of money equal to ONE DOLLAR (\$1.00) per net mineral acre then subject to this lease, such payment shall be made to Lessor or tendered to her credit in the FIRST STATE BANK, ATHENS, TEXAS, prior to the expiration of the primary term of this lease or, if the primary term has expired prior to the shutting in of said well, within sixty (60) days after Lessee shuts in said well or ceases to produce gas therefrom or within sixty (60) days after this lease ceases to be maintained in force under its other provisions; and if such payment is made, this lease shall be considered to be a producing lease and such payment shall extend the term of this lease for a period of one (1) year from the date such payment or tender is made, and it will be considered under all provisions of this lease that gas is being produced from the leased premises during the annual period for which such royalty is paid or tendered as authorized above.

12. At the end of the primary term this lease shall terminate as to all of the above described land, except as to each proration unit allocated for production allowable purposes under the rules and regulations of the Railroad Commission of the State of Texas, or other governmental authority having jurisdiction to each well producing oil and/or gas in commercial quantities, and as to each such proration unit, as to all depths 100 feet (100') below the stratigraphic equivalent of the base of the deepest producing formation on each such proration unit unless Lessee commences the actual drilling of an additional well within ninety (90) days of the first to occur of (i) the expiration of the primary term, or, (ii) the date that any well actually being drilled at the expiration of the primary term is completed, and thereafter Lessee shall continuously develop the above described land with no more than ninety (90) days elapsing between the date one well is completed and the date the actual drilling of the next succeeding well commences, until said land has been drilled to the density necessary to obtain the maximum production allowable per well under the rules and regulations of the Railroad Commission of Texas, or other governmental authority having jurisdiction; upon the cessation of such continuous development, this lease shall terminate except as to each proration unit allocated as aforesaid, to each proration unit upon which a well is producing oil and/or gas in commercial quantities, and as to each such proration unit as to all depths 100 feet (100') below the stratigraphic equivalent of the base of the deepest producing formation on each such proration unit. A well shall be deemed to have been completed on the first to occur of (i) the date the completion report required by the Railroad Commission of the State of Texas or other governmental authority having jurisdiction is filed, or, (ii) thirty days after the drilling rig that drilled the relevant well is released.

13. Lessee shall adequately protect the oil and gas under the above described land from drainage from adjacent lands, and shall drill as many regularly spaced wells as the facts may justify and to the depths necessary for effective protection against undue drainage by wells on adjacent lands. The term "adjacent lands" includes lands which have a common corner or corners with the above described land.

14. When operations are conducted on surface lands owned by Lessor or Lessor's daughters, then:

- (a) When requested by Lessor, Lessee shall bury its pipe lines below deep plow depth.
- (b) No well or wells shall be drilled nearer than 400 feet to any house or barn now on the above described land, without the written permission of Lessor.
- (c) Lessee shall promptly pay Lessor for damages caused by its operations to all personal property, improvements, livestock, and growing crops on said land. Lessee shall promptly bury or dispose of off the premises any livestock killed by Lessee's operators. In addition, prior to commencing any of the operations hereafter provided for (except grass damage), Lessee shall pay to Lessor at the address specified above or any agent designated in writing by Lessor at said address or at such other address as Lessor may specify in writing, damages as follows:

Each well location (200' x 300')	\$5,000.00 per location
Each tank battery when not on the well location	\$2,500.00
Road (not to exceed 30' in width)	\$6.00 per rod
Power Line	\$6.00 per rod
Buried permanent pipe lines (one ditch)	\$6.00 per rod
All temporary lines laid which are are not on road rights-of-way in connection with drilling and production operations (not to be used for more than 1 year)	\$6.00 per rod

Geophysical operations	\$1,500.00 per linear mile of area covered for vibrator lines and \$600.00 per linear mile for area covered for receiver lines
Grass damage from leaks or otherwise	\$600.00 per acre damaged (reduced proportionately if less than one acre)
All permanent pipe lines which are not buried shall be laid parallel to and within 20' of lease roads	\$6.00 per rod

Payment for grass damages shall be made promptly after the damage occurs.

(d) Lessee shall consult with Lessor relative to proposed roads to drill sites and other facilities, and all road locations must be approved by Lessor; however, such approval shall not be unnecessarily withheld.

(e) All openings in fences shall be made by using "H" braces, constructed of pipe at least 4" in diameter on both sides of the opening, and shall be secured by using a "dead man".

(f) All cattle guards shall be built at least 15 inches above the ground, and all cattle guards in boundary fences shall contain a gate capable of restraining livestock and shall be kept locked at Lessor's request. The cattle guards shall be maintained in good operating condition for so long as Lessee continues to use them for access to the premises.

(g) While Lessee is conducting operations hereunder, all areas of operations will be kept free of trash and all other debris. All areas around wellheads, ditches, roads, tank battery sites, cattle guard, and all other areas used by Lessee shall be kept reasonably free from tumbleweeds, cockle burrs, and other noxious weeds. Within a reasonable time after operations are completed, the area will be finally cleaned and earthen pits and construction will be removed to the end that all objects and structures foreign to the natural condition of the land will be removed and eliminated and the surface restored to its condition prior to Lessee's operations insofar as is reasonably practical. On the final termination of this lease, and upon request by Lessor, Lessee shall, at Lessee's cost and expense, remove all roads, pads, and generally restore the lands to as near its condition prior to Lessee's operations so far as is reasonably practical and economically feasible.

(h) Lessee will take any necessary action to protect all fresh water bearing zones, and upon abandonment of any well, Lessee shall plug the same in compliance with applicable laws, rules and regulations of any governmental authority having jurisdiction. At no time shall saltwater, radioactive, hazardous, or poisonous wastes or muds or other deleterious substances be stored or disposed of on the above described land.

(i) No firearms, dogs or fishing shall be permitted on the above described land.

(j) Mud pits shall be kept fenced to keep cattle from entering, and shall be filled and leveled within one hundred eighty (180) days, from completion of well. No toxic or hazardous substance shall be disposed of in any mud pit. All permanent pits around wellheads for tank batteries shall be fenced and maintained in a manner which shall prevent livestock from entering.

(k) Lessee agrees that no collecting facilities other than tank batteries and the necessary flow lines shall be erected on the leased premises, and no refining process or equipment or processing plant of any kind, shall be erected thereon, and no housing structures or warehouse facilities or pipe yards or equipment yards shall be erected on the leased premises, it being the intention that only the necessary production, gathering, disposing and delivery facilities shall be erected on the leased premises without written agreement by Lessor herein.

15. Lessee shall notify Lessor in writing at Lessor's address above prior to the commencement of operations for the drilling of any oil or gas well on the leased premises or prior to conducting any form of geological or geophysical tests on said land. Lessee shall mail to Lessor a copy of all forms filed with the Texas Railroad Commission in connection with the drilling, completing, recompleting, plugging and abandoning of each oil and/or gas well drilled pursuant to the terms of this lease.

16. Notwithstanding anything contained in this lease to the contrary, it is agreed that Tract 1 of said land and Tract 2 of said land shall be deemed for all purposes (except as hereinafter otherwise provided in this paragraph) to be covered by separate oil and gas leases as if a separate lease form had been executed as to each of said tracts containing the identical provisions contained in this lease; provided, however, that notwithstanding the foregoing, with respect to the Continuous Drilling Program described in Paragraph 12. hereof, the two separate leases shall be deemed to be covered by one continuous drilling program to the end that a well drilled in accordance with said Continuous Drilling Program and located on the separate lease covering Tract 1 of said land or the separate lease covering Tract 2 of said land shall perpetuate both leases beyond their respective primary terms until such time as the Continuous Drilling Program has ceased and terminated, at which time the termination and reversion provisions contained in Paragraph 12. hereof shall apply separately to each lease. In this regard, Lessor and Lessee do hereby specifically understand and agree that as long as the Continuous Drilling Program described in Paragraph 12. hereof is in effect, then this lease shall continue in effect as to all of said land, regardless of the location of wells drilled thereon.

17. In executing this lease, the undersigned Lessor acknowledges that if it is determined that one or more parties should own a non-executive interest in less than all of the lands covered by this lease, it is not the intent of the Lessor hereunder in executing the same lease to communitize or pool the respective mineral interests. In the event of production, a given owner shall be entitled to receive proceeds of production only from the land in which the owner owns an interest and on which a producing well is located or from lands in which said owner owns an interest and which lands were pooled with other lands as authorized in Paragraph 6. above. The Lessor hereunder does not and has not by executing this lease communitized respective mineral interests.

18. This lease shall be binding upon and inure to the benefit of, Lessor and Lessee and their respective heirs, successors, legal representatives and assigns.

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

E.D.B., LTD., a Texas Limited Partnership

By Brenda Cook Nix, General Partner  
Brenda Cook Nix, General Partner

MPI Energy Partners, LP

By Michael J. Grella  
Michael J. Grella, General Partner-Manager

STATE OF TEXAS §  
COUNTY OF HENDERSON §

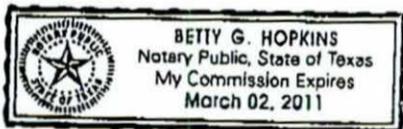
This instrument was acknowledged before me on the 29<sup>th</sup> day of March, 2007, by Brenda Cook Nix, as General Partner of E.D.B., Ltd., a Texas Limited Partnership, on behalf of said partnership.



Connie E. Christopher  
Notary Public, State of Texas  
My Commission Expires: 4-21-10

STATE OF TEXAS §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 2<sup>nd</sup> day of April, 2007, by Michael J. Grella as General Partner of MPI Energy Partners, LP, on behalf of said limited partnership. OGH Manager



Betty G. Hopkins  
Notary Public, State of Texas  
My Commission Expires: 3-2-2011



EXHIBIT "A"

Attached to and made a part of the Oil and Gas Lease dated March 26, 2007, between EDB, Ltd., as Lessor, and MPI Energy Partners, LP, as Lessee, covering the following described lands in Glasscock County, Texas:

TRACT 1

A. BLOCK 34, T-4-S, T&P RR. CO. SURVEY:

1. All of Section 1, SAVE AND EXCEPT:
  - a. Lots 2, 3, and 10, Block 12; Lots 9, 10, 11, and 12, Block 25; Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9, Block 31; and Lots 1, 2, and 3, Block 40, Calverley Heights Addition to the Town of Garden City, Glasscock County, Texas, comprising 2.782 acres, more or less;
  - b. Blocks 1, 2, 13, 14, 15, 16, 27, 28, 29, 30, 41, and 42, Calverley Heights Addition to the Town of Garden City, Glasscock County, Texas, comprising 39.3059 acres, more or less;
  - c. A 19.216 acre tract of land more fully described by metes and bounds in that certain Quitclaim Deed, dated January 30, 1979, from Stephen Calverley, Jr., Trustee, et al, to Glasscock County ISD, recorded in Volume 170, Page 150, of the Deed Records of Glasscock County, Texas; AND,
  - d. A 5 acre tract of land more fully described by metes and bounds in that certain Warranty Deed, dated July 5, 1909 from A. J. Mayer and W. H. Summers, Trustees, to G. L. Bogard, County Judge, recorded in Volume 8, page 260, of the Deed Records of Glasscock County, Texas.
2. The N/2 and SW/4 of Section 2.
3. The S/2 of Section 6.
4. All of Section 11.
5. All of Section 13, SAVE AND EXCEPT a 40 acre tract in the NE corner of Section 13 more fully described by metes and bounds in a Pooling Agreement, dated June 1, 1995, between Holly Petroleum et al and Osado Properties, recorded in Volume 321, page 308, of the Deed Records of Glasscock County, Texas.

B. BLOCK 33, T-5-S, T&P RR. CO. SURVEY:

All of Section 19.

C. BLOCK 34, T-5-S, T&P RR. CO. SURVEY:

All of Section 24.

TRACT 2

BLOCK 34, T-4-S, T&P RR. CO. SURVEY:

All of Section 17.

FILED  
 AT 10:00 O'CLOCK A M  
 ON THE 5 DAY OF April  
 A.D., 2007  
 INS. NO. 561

Rebecca Badla  
 COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY Jessie Williams DEPUTY

STATE OF TEXAS  
 COUNTY OF GLASSCOCK

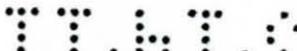
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Badla  
 County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 101 PAGE 50  
 RECORDED April 5, 2007



File No. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date Filed: \_\_\_\_\_  
Jerry E. Patterson, Commissioner

By \_\_\_\_\_



# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	August 17, 2010	PROSPECT:	Deadwood
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (KT)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

### ASSIGNOR/LESSOR/GRANTOR:

ERNESTINE H. FLORES MORENO AKA TINA MORENO

### ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

### PROPERTY DESCRIPTION:

LOTS 3 AND 4, BLOCK 42, CALVERLEY HEIGHTS ADDITION LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS CONTAINING 0.321 ACRES, MORE OR LESS.

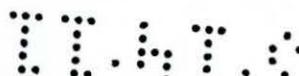
NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	DOCUMENTS SUBMITTED:	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	ORIGINAL LEASE <input checked="" type="checkbox"/>	COMPLETED W9 <input checked="" type="checkbox"/>
RATIFICATION <input type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input checked="" type="checkbox"/>	MINERAL TAKEOFF <input checked="" type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input checked="" type="checkbox"/>	RECEIPT OF PAYMENT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	
BOOK: 150	PAGE: 210	ENTRY/REGISTER/MICROFILM: 4534	COUNTY/PH-ST: GLASSCOCK COUNTY, TX
DATE: June 17, 2010	EFFECTIVE DATE: June 17, 2010	EXPIRATION DATE: June 17, 2013	TERM (YRS): 3
MINERAL INTEREST: 1.00000000	GROSS ACRES: 0.3210	NET ACRES: 0.3210	ROYALTY RATE: 0.25000000
CO. GWI: 1.00000000		CO. NET ACRES: 0.3210	SHUT-IN ROYALTY AMOUNT: \$0.32
BONUS PER ACRE: \$100 FLAT FEE	BONUS AMOUNT: \$100.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	ERNESTINE H. FLORES MORENO AKA TINA MORENO	INTEREST:	1.00000000
NAME			
CONTINUED			
ADDRESS	P.O. BOX 8		
CITY ST ZIP	GARDEN CITY, TX 79739		
TIN:			
PHONE:			
EMAIL:			
NAME			
CONTINUED			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE:			
EMAIL:			
	TOTAL INTEREST:		1.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

### INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

\*\*\*PARAGRAPH 12...PROTECTION CLAUSE, STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.





**VERITAS 321**  
 ENERGY PARTNERS, LP  
 P.O. Box 173  
 Midland, Texas 79702  
 432.682.4002

WESTERN NATIONAL BANK  
 MIDLAND, TX

88-737  
 1163

008420

8/6/2010

PAY TO THE ORDER OF Ernestine H.Flores Moreno AKA Tina Moreno

\$ \*\*100.00

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Ernestine H.Flores Moreno AKA Tina Moreno  
 PO Box 8  
 Garden City, TX 79739

*Shelley Lopez*  
 AUTHORIZED SIGNATURE



MEMO MEI201023 L

⑈008420⑈

VERITAS 321 ENERGY PARTNERS, LP

Ernestine H.Flores Moreno AKA Tina Moreno

8/6/2010

008420

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/5/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201023 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4534

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 17th day of JUNE, 2010, between ERNESTINE H. FLORES MORENO a/k/a TINA MORENO, as Lessor (whether one or more), whose address is: P.O. BOX 8, GARDEN CITY, TX 79739 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lots 3 and 4, Block 42, Calverley Heights Addition located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas, containing 0.321 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.321 acres**, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **3 years** from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **one-fourth (1/4)** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other **one-fourth (1/4)** products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The



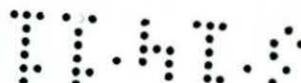
formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR:

  
TINA MORENO



ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF GLASSCOCK

§  
§  
§

This instrument was acknowledged before me on the 9th day of July, 2010, by ERNESTINE H. FLORES MORENO a/k/a TINA MORENO.



Nancy Hillger  
Notary Public, State of Texas

Nancy Hillger  
Notary's Name (printed):

My Commission Expires: 9-10-2010

**FILED**  
AT 10:00 O'CLOCK A. M.  
ON THE 12 DAY OF August  
A.D., 2010  
INS. NO. 4534

Rebecca Batla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY Antonia Jones DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Batla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 150 PAGE 210

RECORDED August 12, 2010





# MARINER ENERGY, INC.

**FINAL**

## LEASE PURCHASE OR MINERAL ACQUISITION REPORT

<b>DATE:</b>	September 13, 2010	<b>PROSPECT:</b>	DEADWOOD
<b>PREPARED BY:</b>	VERITAS 321 ENERGY PARTNERS, LP (KT)	<b>AFE #</b>	072296
<b>APPROVED BY:</b>	blue cell = formula inserted		

ASSIGNOR/LESSOR/GRANTOR:

MARY JOYCE WILKERSON

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

**PROPERTY DESCRIPTION:**

LOT 5 AND LOT 6, BLOCK 42, CALVERLEY HEIGHTS ADDITION, LOCATED IN THE SW/4 AND THE W/2 SE/4 OF SECTION 1, BLOCK 34, TOWNSHIP 4 SOUTH, GLASSCOCK COUNTY, TEXAS, CONTAINING 0.321 ACRES, MORE OR LESS.

<b>NEW</b> <input checked="" type="checkbox"/>	<b>FEDERAL</b> <input type="checkbox"/>	<b>DOCUMENTS SUBMITTED:</b>	
<b>RENEWAL</b> <input type="checkbox"/>	<b>STATE</b> <input type="checkbox"/>	<b>ORIGINAL LEASE</b> <input checked="" type="checkbox"/>	<b>COMPLETED W9</b> <input checked="" type="checkbox"/>
<b>RATIFICATION</b> <input type="checkbox"/>	<b>GOVT. AGENCY</b> <input type="checkbox"/>	<b>MEMORANDUM OF LEASE</b> <input type="checkbox"/>	<b>MINERAL TAKEOFF</b> <input type="checkbox"/>
<b>EXTENSION</b> <input type="checkbox"/>	<b>FEE</b> <input checked="" type="checkbox"/>	<b>LEASE PLAT</b> <input type="checkbox"/>	<b>COPY OF ORIGINAL PATENT</b> <input type="checkbox"/>
<b>AMENDED</b> <input type="checkbox"/>	<b>PAID-UP</b> <input checked="" type="checkbox"/>	<b>COPY OF DRAFT/CHECK</b> <input checked="" type="checkbox"/>	<b>RECEIPT OF PAYMENT</b> <input checked="" type="checkbox"/>
<b>BOOK:</b> 150	<b>PAGE:</b> 832	<b>ENTRY/REGISTER/MICROFILM</b> 4677	<b>COUNTY/PH-ST</b> GLASSCOCK COUNTY, TEXAS
<b>DATE:</b> August 1, 2010	<b>EFFECTIVE DATE:</b> August 1, 2010	<b>EXPIRATION DATE:</b> August 1, 2013	<b>TERM (YRS):</b> 3
<b>MINERAL INTEREST:</b> 1.00000000	<b>GROSS ACRES:</b> 0.3210	<b>NET ACRES:</b> 0.3210	<b>ROYALTY RATE:</b> 0.25000000
<b>CO. GWI</b> 1.00000000		<b>CO. NET ACRES:</b> 0.3210	<b>SHUT-IN ROYALTY AMOUNT:</b> \$0.32
<b>BONUS PER ACRE:</b> \$100 FLAT RATE	<b>BONUS AMOUNT:</b> \$100.00	<b>FIRST RENTAL DUE:</b> N/A	<b>RENTAL AMOUNT:</b> N/A

<b>LESSOR(S):</b>	<b>INTEREST:</b>
NAME CONTINUED	1.00000000
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE:	
EMAIL:	
NAME CONTINUED	
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE:	
EMAIL:	
<b>TOTAL INTEREST:</b>	<b>1.00000000</b>

SEE ADDITIONAL PAGES OR ATTACHMENTS

**INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:**

PARAGRAPH 12...PROTECTION CLAUSE STATING THAT THE SURFACE AREA WOULD NOT BE USED FOR DRILLING; AND THAT IF AN ADDITIONAL WELL WERE DRILLED IN THE IMMEDIATE AREA, IT WOULD BE DIRECTIONALLY DRILLED.

WT: MEI201026  
VEP CK #: 8492  
Lease Purchase Report

REVISED 3/3/2008

cj/ls



THE BACK OF THIS DOCUMENT INCLUDES MICROPRINTED IDENTIFICATION LINES.



**VERITAS 321**  
ENERGY PARTNERS, LP  
P.O. Box 173  
Midland, Texas 79702  
432.682.4002

WESTERN NATIONAL BANK  
MIDLAND, TX

88-737  
1163

008492

8/26/2010

PAY TO THE ORDER OF Mary Joyce Wilkerson

\$ **\*\*100.00**

One Hundred and 00/100\*\*\*\*\*

DOLLARS

Mary Joyce Wilkerson  
c/o Sandra Berryman  
PO Box 765  
Stanton, KY 40380

*Shelly Lopez*  
AUTHORIZED SIGNATURE



MEMO MEI201026 L

⑈008492⑈



VERITAS 321 ENERGY PARTNERS, LP

Mary Joyce Wilkerson

8/26/2010

008492

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/26/2010	Bill	Bonus Consideration	100.00	100.00		100.00
				Check Amount		100.00

(WNB) Veritas 321 EP MEI201026 L

100.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#4677

## OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 1st day of AUGUST, 2010, between MARY JOYCE WILKERSON, dealing in her separate property, as Lessor (whether one or more), whose address is: c/o Sandra Berryman, P O Box 765, Stanton, KY 40380 and MARINER ENERGY, INC., 2000 W. SAM HOUSTON PKWY S, STE. 2000, HOUSTON, TEXAS 77042-3622, Lessee; WITNESSETH:

1. Lessor, in consideration of 10.00 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of GLASSCOCK, State of TEXAS, and is described as follows:

**Lot 5 and Lot 6 Block 42, Calverley Heights Addition,  
located in the SW/4 and the W/2 SE/4 of Section 1, Block 34, T-4-S, Glasscock County, Texas,  
containing 0.321 acres, more or less.**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.321 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

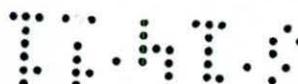
2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fourth (1/4) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other one-fourth (1/4) products, the market value, at the mouth of the well, of one-fourth (1/4) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the:

Depository Bank: DIRECTLY TO LESSOR

Mailing Address: LESSOR'S ADDRESS SHOWN ABOVE

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The



formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder insofar and only insofar, as to lands located within the boundaries of the Original Town of Garden City as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas. Any production from the leased premises on lands located within the boundaries of the Original Town of Garden City, as described on the Plat, recorded on June 17, 1908, Volume 1, Page 1, Plat Records of Glasscock County, Texas, shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

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

LESSOR: Mary Joyce Wilkerson  
MARY JOYCE WILKERSON,  
dealing in her separate property

ACKNOWLEDGMENT

STATE OF KENTUCKY      §  
   §  
COUNTY OF Bowling      §

This instrument was acknowledged before me on the 16<sup>th</sup> day of August, 2010, by MARY JOYCE WILKERSON,  
dealing in her separate property

Javonna Halsey  
Notary Public, State of Kentucky  
My Commission Expires: 2-19-2014



FILED

AT 8:00 O'CLOCK A. M.  
ON THE 7 DAY OF September  
A.D., 2010  
INS. NO. 4677

*Rebecca Bada*

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY *Normina Jones* DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



*Rebecca Bada*

County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 150 PAGE 832  
RECORDED September 7, 2010

11410

7.

File No. MF112010

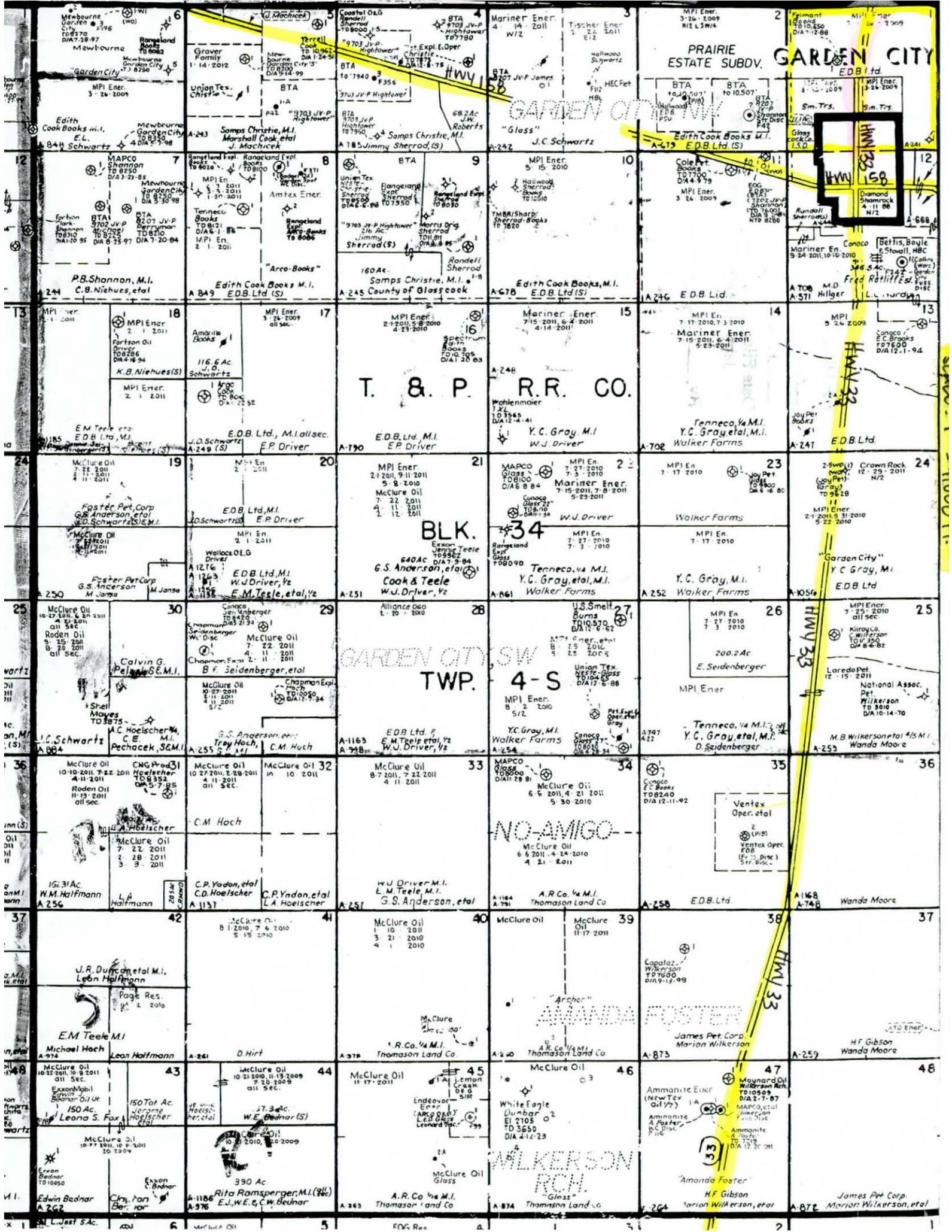
Lease fees

Date Filed: 3/14/11

Jerry E. Patterson, Commissioner

By 





PRAIRIE ESTATE SUBDV. GARDEN CITY EDB Ltd

T. & P. R.R. CO.

GARDEN CITY SW TWP. 4-S

NO-AMIGO

AMANDA FOSTER

WILKERSON RCH.

Map containing numerous parcel labels with owner names and dates. Examples include: 'Edith Cook Books M.I.', 'J.C. Schwartz', 'Y.C. Gray, M.I.', 'W.J. Driver', 'Walker Farms', 'McClure Oil', 'M.P.I. Ener.', 'Gardner & Sons', 'Tenneco, 1/4 M.I.', 'Walker Farms', 'Y.C. Gray, M.I.', 'E. Seidenberger', 'Vortex Oper. et al', 'James Pet Corp.', 'Marion Wilkerson', 'Edwin Bednar', 'Rita Ransperger, M.I.', 'A.R. Co. 1/4 M.I.', 'Thomason Land Co.', 'Amanda Foster', 'HF Gibson', 'James Pet Corp.', 'Marion Wilkerson, et al'.

8.

File No. MF 117010

Blat

Date Filed: 3/14/11

Jerry E. Patterson, Commissioner

By [Signature]



## FACSIMILE

Texas General Land Office • Jerry Patterson • Commissioner

---

Date: 3/25/11

To: *Andy Larres* From: **George Martin**  
Company: *Veritas 321* Sender's Fax No.:  
Fax No.: *432-684-4741* Sender's Phone No.: **512-475-1512**  
Phone No.: Pages: *8*  
Re: HROW Lease Number  
*112012 - Glasscock Co*  
Notes: *Dated 2/1/11*

Attached please find a copy of HROW Lease

Please remit Bonus, plus 1 1/2% processing fee to the General Land Office attention George Martin. Please write the above lease number on your check.

The information in this facsimile is intended only for the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you received this communication in error, please notify us immediately by telephone and return the original message to us at the address below via the U.S. Postal Service.

---

1700 North Congress Ave. • Austin, Texas 78701-1495  
P.O. Box 12873 • Austin, Texas 78711-2873  
512-463-5001 • 1-800-998-4GLO

9.

File No. DF112010

Jerry Sheel

Date Filed: 3/25/11

Jerry E. Patterson, Commissioner

By 



VERITAS 321  
ENERGY PARTNERS, LP

COPY

March 29, 2011

Texas General Land Office  
Attn: Mr. George Martin  
1700 N. Congress Ave.  
Austin, TX 78701-1495

Mud Lease  
# or Lessee

**RE: Bonus Consideration for Oil, Gas & Mineral Lease**  
SECTION 1, BLOCK 34, T-4-S, T&P RR Co. Sy.  
**GLASSCOCK COUNTY, TEXAS**

M-112010

Dear Mr. Martin:

In receipt of your executed Oil and Gas Lease covering the captioned property, enclosed is **check number 007900** made payable to you in the amount of **\$1,986.36** for your share of the bonus consideration ( $7.828 \text{ net acres} \times \$250.00 \text{ per net acre}$ ) plus the 1.5% processing fee of \$29.36.

*Please acknowledge your receipt hereof by signing in the space provided below and returning one copy of this letter to the undersigned in the envelope provided.*

Thank you for your cooperation in this matter. Should you have any questions, please advise.

Sincerely,

Amanda Torres  
Lease Analyst  
Extension 126

Received this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
**George Martin**

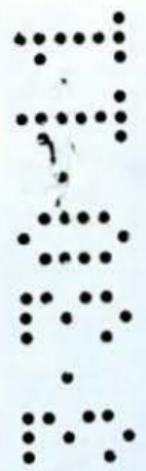
VERITAS 321 ENERGY PARTNERS, LP

007900

Commissioner of the TX General Land Office  
2010 Receipts Payable-Apache      APA201112 Lease #112012

3/29/2011

1,986.36



121

11707952

(WNB) Veritas 321 EP APA 201112 Lease #112012

1,986.36

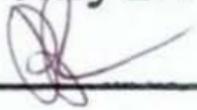
10.

File No. MF 112010

Letter + bonus

Date Filed: 3/30/11

Jerry E. Patterson, Commissioner

By 

3 30 11

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA12-531

*Unit Number* 6004  
*Operator Name* APACHE CORPORATION *Effective Date* 5/12/2011  
*Customer ID* C000023272 *Unitized For* Oil & Gas  
*Unit Name* E.D. Books 1 "C" Unit *Unit Term* 0 Months  
*County 1* Glasscock  
*County 2* Old Unit Number Inactive Status Date  
*County 3* 0  
*RRC District:* 08 0  
*Unit Type:* Permanent 0  
*State Royalty Interest:* 0.0115625000 0  
*State Part in Unit:* 0.0462500000  
*Unit Depth* All *Well:* Unit  
*Below Depth* 0 *Formation:*  
*Above Depth* 0 *Participation Basis:* Surface Acreage  
*[If Exclusions Apply: See Remarks]*

*MF Number* MF112010 *Tract Number* 1  
*Lease Acres* 3.7 / *Total Unit Acres* 80 =  
*Tract Participation:* 0.0462500 X  
*Lease Royalty* 0.25 = *Manual Tract Participation:*  0  
*Tract Royalty Participation* 0.0115625 *Manual Tract Royalty:*  0

See Remarks

*Tract Royalty Reduction* No  
*Tract Royalty Rate* 0  
*Tract On-Line Date:*

API Number

RRC Number

Remarks:

Prepared By:

                    B. Boyd                    

Prepared Date:

                    10-31-12                    

GLO Base Updated By:

                    B. Boyd                    

GLOBase Date:

                    10:31-12                    

RAM Approval By:

                    SWANSON                    

RAM Approval Date:

                    11-9-12                    

GIS By:

                    TG                    

GIS Date:

                    11-29-12



**Information for Highway Right-of-Way Unit Declaration**  
 Texas General Land Office  
 Jerry Patterson, Commissioner  
 1700 North Congress Avenue  
 Austin, Texas 78701-1495

**OPERATOR INFORMATION**

Contact Name: Jeff Stout Phone ( 432 ) 818-1000  
 Name of Pooled Unit E.D. Books 1 "C" Unit  
 Operator of Pooled Unit Apache Corporation County Glasscock County  
 Operator TAX ID # 41-0747868  
 Effective Date of Unit Declaration: May 12, 2011

**HROW LEASE(S) IN UNIT**

<u>HROW State Lease No.</u>	<u>Lease Date</u>	<u>Term</u>	<u>HROW Royalty</u>	<u>Total Lease Acreage</u>	<u>Lease Acreage in Unit</u>	<u>Lessee of Record</u>
112010	February 1, 2011	2	1/4	7.828	3.7	Apache Corporation

Total HROW Acreage In Unit = 3.7 Ac.  
 State's Net Revenue Interest in Unit: 0.0115625 Total Private Acreage In Unit = 76.3 Ac.  
 Total Acreage In Pooled Unit = 80.0 Ac.

Attach a plat showing the pooled unit outline, unit well(s) location, and HROW lease tracts.

Type of Mineral Pooled:  Oil  Gas  Oil & Gas  
 Pooled Interval: All Depths X Top Depth \_\_\_\_\_ Base Depth \_\_\_\_\_  
 If pooling a Formation(s) please list Formation Name: \_\_\_\_\_  
 RRC Field Name(s): Books, E.D. 1

**UNIT WELL(S)**

API # 42-173-33738 RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_

56-030239  
 PA12-531  
 16004

# 122131

DECLARATION OF THE APACHE  
E.D. BOOKS 1 "E" UNIT

State: Texas  
County: Glasscock  
Lessees: Apache Deepwater LLC, successor to Mariner Energy, Inc. and Apache Corporation  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

Lessees, named above, designate the following lands covered by the Leases described in Exhibit "A", attached hereto and made a part hereof for all purposes, as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

The North Half of the Northeast Quarter (N/2 NE/4) of Section 1, Block 34, Township 4 South, T&P R.R. Co. Svy., Glasscock County, Texas, containing 80 acres, more or less, as shown on the plat attached hereto as Exhibit "B" and made a part hereof for all purposes.

This Declaration and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessees, as long as the Leases are maintained in force and effect, insofar as they cover the lands contained within said Unit.

Executed by Lessees as of the date of the acknowledgement, but effective for all purposes as of the date of first production.

Apache Deepwater LLC  
Apache Corporation

*Timothy R. Custer*

Name: Timothy R. Custer  
Title: Attorney-in-Fact

E.D.B., LTD., a Texas Limited Partnership  
By: Glasscock Properties, L.L.C., its General Partner  
By:

*Brenda Cook Nix*

Brenda Cook Nix, President of Glasscock Properties, L.L.C.



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

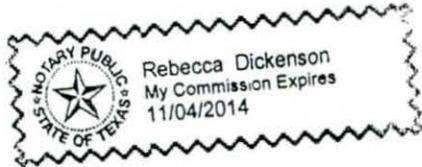
STATE OF TEXAS

§  
§  
§

COUNTY OF HENDERSON

This instrument was acknowledged before me on July 27<sup>th</sup>, 2012, by Brenda Cook Nix, as President of Glasscock Properties, LLC General Partner of E.D.B., LTD., a Texas Limited Partnership, on behalf of said partnership.

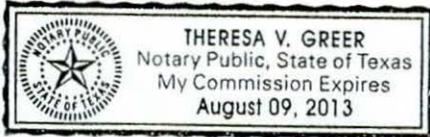
Rebecca Dickenson  
NOTARY PUBLIC FOR STATE OF TEXAS



STATE OF TEXAS  
COUNTY OF MIDLAND

This instrument was acknowledged before me on the 10<sup>th</sup> day of August, 2012 by Timothy R. Custer, Attorney-in-Fact for Apache Delaware LLC, a Delaware limited liability company, and Apache Corporation, a Delaware corporation on behalf of said companies.

[Signature]  
NOTARY PUBLIC FOR STATE OF TEXAS



True and correct copy of original filed in the Glasscock County Clerks Office

EXHIBIT "A"

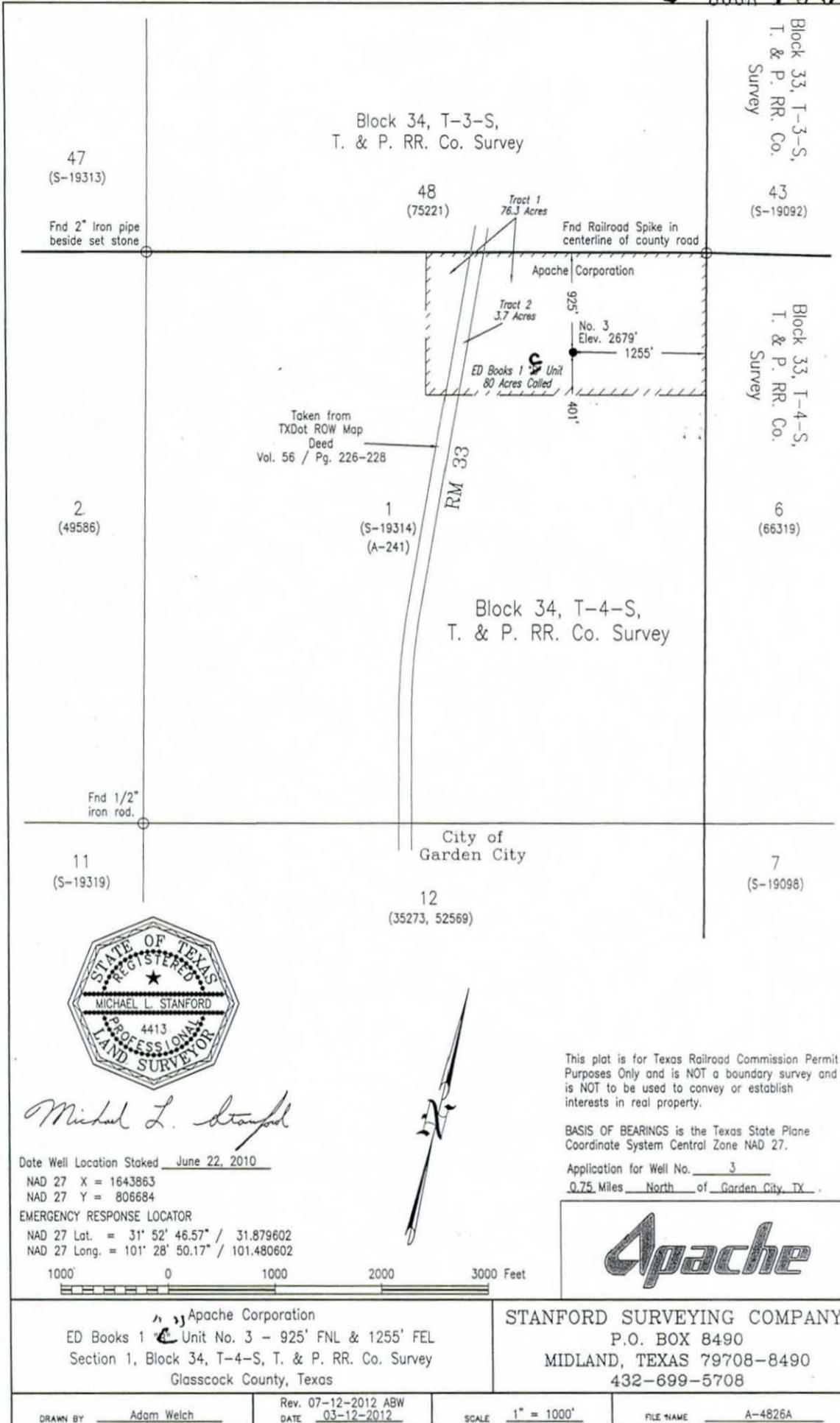
Attached to and made part of Declaration of the Apache  
E.D. Books 1 "~~B~~" Unit  
C

Date: March 26, 2007  
Recording: Book/Vol. 101, Page 50, Official Public Records of Glasscock Co., Texas  
Lessor: **E.D.B., LTD**  
Lessee: MPI Energy Partners, LP  
Assignment: from Element Petroleum LP (formerly MPI Energy Partners, LP) to Mariner Energy, Inc.  
recorded in Book/Vol. 130, Page 012

Date: February 1, 2011  
Recording: Book/Vol. 101, Page 53, Official Public Records of Glasscock Co., Texas  
Lessor: **Commissioner of the General Land Office of the State of Texas**  
Lessee: Apache Corporation

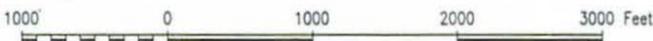


True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office



*Michael L. Stanford*

Date Well Location Staked June 22, 2010  
 NAD 27 X = 1643863  
 NAD 27 Y = 806684  
 EMERGENCY RESPONSE LOCATOR  
 NAD 27 Lat. = 31° 52' 46.57" / 31.879602  
 NAD 27 Long. = 101° 28' 50.17" / 101.480602



This plat is for Texas Railroad Commission Permit Purposes Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

BASIS OF BEARINGS is the Texas State Plane Coordinate System Central Zone NAD 27.

Application for Well No. 3  
0.75 Miles North of Garden City, TX



Apache Corporation  
 ED Books 1 & 2 Unit No. 3 - 925' FNL & 1255' FEL  
 Section 1, Block 34, T-4-S, T. & P. RR. Co. Survey  
 Glasscock County, Texas

STANFORD SURVEYING COMPANY  
 P.O. BOX 8490  
 MIDLAND, TEXAS 79708-8490  
 432-699-5708

DRAWN BY Adam Welch Rev. 07-12-2012 ABW DATE 03-12-2012 SCALE 1" = 1000' FILE NAME A-4826A

True and correct copy of original filed in the Glasscock County Clerks Office  
 Page 4 of 4



FILED  
 AT 11:45 O'CLOCK A M  
 ON THE 17 DAY OF Aug  
 A.D., 2012  
 INS. NO. 120131

*Rebecca Batla*  
 COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
 BY *Mona J. Wilde*  
 DEPUTY

STATE OF TEXAS  
 COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



*Rebecca Batla*  
 County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
 VOL. 196 PAGE 033  
 RECORDED Aug 17, 2012

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE  
 STATE OF TEXAS  
 COUNTY OF GLASSCOCK

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Official Public Records of my office, found in VOL. 196, PAGE 033



I hereby certified on Aug 17, 2012  
 REBECCA BATLA, COUNTY & DISTRICT CLERK  
 GLASSCOCK COUNTY, TEXAS  
 BY *Mona J. Wilde*  
 DEPUTY

# The State of Texas

BOOK 173

PAGE 026

HROW Lease  
Revised 8/06



## Austin, Texas

#8288

PAID-UP  
OIL AND GAS LEASE NO. (MF 112010)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and Apache Corporation, whose address is 303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705 hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Nine Hundred Fifty Seven 00/100 (\$ 1,957.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock**, State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **7.828 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **two years, from February 1st, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. **ROYALTIES:** As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **1/4** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **1/4** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **1/4** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **1/4** of such gas and casing head gas.

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 5.00 per acre**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

4. **POOLING:** (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance often percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within

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

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

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

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

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

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

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

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

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

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

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

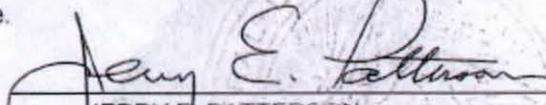
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well

causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: DR  
DC: CCR  
CC: [Signature]

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 1st 2011, by and between the State of Texas, as lessor, and Apache Corporation as lessee, covering acreage to be leased in Glasscock County, Texas, along State Highway 33.

7.828 acres of land, more or less, situated in Section 1, Block 34, T-4S, T&P RR Co Survey. Said lands being described in the following deed filed in the Deeds of Record, Glasscock County, Texas

Deed from Eva Curie to the State of Texas  
dated: 10/17/1945 and recorded in Vol. 56, P. 226  
of the Deed Records of Glasscock County, Texas

T&P RR CO  
A-142

T&P RR CO  
A-1013

T&P RR CO  
A-240

FM 33

T&P RR CO  
A-827

T&P RR CO  
A-241

CR 301

MF112010

T&P RR CO  
A-679

CR 415

Bearkat

12

T&P RR CO  
A-668

T&P RR CO  
A-148

158

Hickory

Chambers

Wilson

Bryant

Keathley

Main

Mart

Fristo

T&P RR CO  
A-644

T&P RR CO  
A-571

Currie

T&P RR CO  
A-246

Hill

Pecan

T&P RR  
A-70

GLASSCOCK  
COUNTY

STERLING  
COUNTY

Map Showing a Buffer of  
FM 33  
7.828 Acres  
Glasscock County, TX



The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Generated by:  
Mark Conway  
IS/BAS/GIS  
February 2011

1,200 800 0 1,200 Feet



**VERITAS 321**  
ENERGY PARTNERS, LP

October 25, 2012

Texas General Land Office  
Attn: Beverly Boyd, Energy Resources, Mineral Leasing  
P.O. Box 12873  
Austin, TX 78711

RE: Declarations of Pooled Units crossing State of Texas lands in Section 1, Block 34, Township 4 South and Section 48, Block 34, Township 3 South, T&P RR Co Sy, Glasscock County, Texas

Beverly:

Apache Corporation has filed Unit Designations which pool the State of Texas leases in the above captioned lands. Included in this mailing are copies of the following State of Texas leases and certified copies of the recorded Pooling Declarations:

- The State of Texas Oil and Gas Lease No. (109579) covering Sections 36, 37, and 48, Block 34, Township 3 South, T&P RR Co. Sy. Glasscock County, Texas and recorded at OPR Book/Vol. 127, Page 008 in Glasscock County, Texas
  - Declaration of the Riley 48 "A" Unit recorded at OPR Book/Vol. 198, Page 138 Glasscock County, Texas
  - Declaration of the Riley 48 "B" Unit recorded at OPR Book/Vol. 198, Page 134 Glasscock County, Texas
- The State of Texas Oil and Gas Lease No. (112010) covering Section 1, Block 34, Township 4 South, T&P RR Co. Sy. Glasscock County, Texas and recorded at OPR Book/Vol. 173, Page 026 in Glasscock County, Texas
  - Declaration of the E.D. Books 1 "B" Unit recorded at OPR Book/Vol. 196, Page 033 Glasscock County, Texas

Also find enclosed, the Texas General Land Office form Information for Highway Right-of-Way Unit Declaration pertaining to above Declarations.

If you need any further information, please contact me.

Thank you,

Lauren Maddox

[lmaddox@veritas321.com](mailto:lmaddox@veritas321.com)

432.682.4002 ext (121)

Enclosures (8)

File No. MF112010

Unit 6004

E.D. BOOKS 1" C" Unit

Date Filed: 10-31-12

Jerry E. Patterson, Commissioner

By J. Boyd

10.31.12

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA13-188

**Unit Number** 6246  
**Operator Name** APACHE CORPORATION **Effective Date** 3/25/2013  
**Customer ID** C000023272 **Unitized For** Oil & Gas  
**Unit Name** E.D. Books 1 "D" Unit **Unit Term** 0 Months  
**County1** Glasscock **Old Unit Number** **Inactive Status Date**  
**County 2** 0  
**County 3** 0  
**RRC District:** 08 0  
**Unit Type:** Permanent 0  
**State Royalty Interest:** 0.0104186063 0  
**State Part in Unit:** 0.0416744252 0  
**Unit Depth** All **Well:** Unit  
**Below Depth** 0 **Formation:**  
**Above Depth** 0 **Participation Basis:** Surface Acreage  
 [If Exclusions Apply: See Remarks]

**MF Number** MF112010 **Tract Number** 1  
**Lease Acres** 4.7 / **Total Unit Acres** 112.779 =  
**Tract Participation:** 0.0416744 X  
**Lease Royalty** 0.25 = **Manual Tract Participation:**  0 **See Remarks**  
**Tract Royalty Participation** 0.0104186 **Manual Tract Royalty:**  0

**Tract Royalty Reduction** No  
**Tract Royalty Rate** 0  
**Tract On-Line Date:**

*API Number*

421733569900

*RRC Number*

0

**Remarks:**

HROW Unit - Producing formation not given

**Prepared By:**

Blayd  
Blayd  
H. Alton  
76

**Prepared Date:**

4-19-13

**GLO Base Updated By:**

**GLOBase Date:**

4-19-13

**RAM Approval By:**

**RAM Approval Date:**

5.23.13

**GIS By:**

**GIS Date:**

8-18-13



**Information for Highway Right-of-Way Unit Declaration**  
 Texas General Land Office  
 Jerry Patterson, Commissioner  
 1700 North Congress Avenue  
 Austin, Texas 78701-1495

**OPERATOR INFORMATION**

Contact Name: Jeff Stout Phone ( 432 ) 818-1000  
 Name of Pooled Unit E.D. Books 1 "D" Unit  
 Operator of Pooled Unit Apache Corporation County Glasscock County  
 Operator TAX ID # [REDACTED]  
 Effective Date of Unit Declaration: March 25, 2013

**HROW LEASE(S) IN UNIT**

HROW State Lease No.	Lease Date	Term	HROW Royalty	Total Lease Acreage	Lease Acreage in Unit	Lessee of Record
112010	February 1, 2011	2	1/4	7.828	4.7	Apache Corporation

Total HROW Acreage In Unit = 4.7 Ac.  
 State's Net Revenue Interest in Unit: 0.01041861 Total Private Acreage In Unit = 108.079 Ac.  
 Total Acreage In Pooled Unit = 112.779 Ac.

Attach a plat showing the pooled unit outline, unit well(s) location, and HROW lease tracts.

Type of Mineral Pooled:  Oil  Gas  Oil & Gas  
 Pooled Interval: All Depths  Top Depth \_\_\_\_\_ Base Depth \_\_\_\_\_  
 If pooling a Formation(s) please list Formation Name: \_\_\_\_\_  
 RRC Field Name(s): \_\_\_\_\_

**UNIT WELL(S)**

API # 42-173-35699 RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_

56-030239

PA13-188  
 6246  
~~6242~~

14107478688



File No. ME 112010

Unit 6246

E.D. BOOKS 1 "D" Unit

Date Filed: 4-19-13

Jerry E. Patterson, Commissioner

By J. Boyd

E.D.B., LTD., a Texas Limited Partnership  
By: Glasscock Properties, L.L.C., its  
General Partner

*Brenda Cook Nix*

By: Brenda Cook Nix, President of  
Glasscock Properties, L.L.C

STATE OF TEXAS

§

COUNTY OF HENDERSON

§

§

This instrument was acknowledged before me on April 3<sup>rd</sup>, 2013, by Brenda Cook Nix,  
as President of Glasscock Properties, LLC General Partner of E.D.B., LTD., a Texas Limited Partnership,  
on behalf of said partnership.



*Dana M. Clough*  
NOTARY PUBLIC FOR STATE OF TEXAS



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

EXHIBIT "A"

Attached to and made part of Declaration of the Apache Corporation  
E.D. Books 1 "D" Pooled Unit

Leases included in Pooled Unit:

Date: March 26, 2007  
Recording: Book/Vol. 101, Page 50, Official Public Records of Glasscock Co., Texas  
Lessor: E.D.B., LTD  
Lessee: MPI Energy Partners, LP  
Assignment: from Element Petroleum LP (formerly MPI Energy Partners, LP) to Mariner Energy, Inc. recorded in Book/Vol. 130, Page 012

Date: August 29, 2011  
Recording: Book/Vol. 174, Page 001, Official Public Records of Glasscock Co., Texas, amended at Book/Vol. 200, Page 457, Official Public Records of Glasscock Co., Texas  
Lessor: Glasscock County Independent School District  
Lessee: Apache Corporation

Date: October 15, 2010  
Recording: Book/Vol. 157, Page 27, Official Public Records of Glasscock Co., Texas  
Lessor: Edith Cook Books  
Lessee: Mariner Energy, Inc.

Date: September 28, 2010  
Recording: Book/Vol. 154, Page 054, Official Public Records of Glasscock Co., Texas  
Lessor: Billy Jay Cook  
Lessee: Mariner Energy, Inc.

Date: September 28, 2010  
Recording: Book/Vol. 154, Page 056, Official Public Records of Glasscock Co., Texas  
Lessor: Margaret Jo Saunders  
Lessee: Mariner Energy, Inc.

Date: July 15, 2010  
Recording: Book/Vol. 152, Page 843, Official Public Records of Glasscock Co., Texas  
Lessor: Dana G. Henrichs  
Lessee: Mariner Energy, Inc.

Date: August 1, 2010  
Recording: Book/Vol. 150, Page 832, Official Public Records of Glasscock Co., Texas  
Lessor: Mary Joyce Wilkerson  
Lessee: Mariner Energy, Inc.

Date: June 17, 2010  
Recording: Book/Vol. 150, Page 210, Official Public Records of Glasscock Co., Texas  
Lessor: Ernestine H. Flores Moreno a/k/a Tina Moreno  
Lessee: Mariner Energy, Inc.

Date: June 25, 2010  
Recording: Book/Vol. 165, Page 316, Official Public Records of Glasscock Co., Texas  
Lessor: Curtis Palmer  
Lessee: Mariner Energy, Inc.



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

Date: July 15, 2010  
Recording: Book/Vol. 150, Page 827, Official Public Records of Glasscock Co., Texas  
Lessor: Steve M. Pelzel and Deborah J. Pelzel, husband and wife  
Lessee: Mariner Energy, Inc.

Date: March 28, 2011  
Recording: Book/Vol. 168, Page 89, Official Public Records of Glasscock Co., Texas  
Lessor: Gladys Virginia Hartley  
Lessee: Apache Corporation

Date: June 15, 2010  
Recording: Book/Vol. 150, Page 628, Official Public Records of Glasscock Co., Texas  
Lessor: Terry Lee Riley  
Lessee: Mariner Energy, Inc.

Date: June 15, 2010  
Recording: Book/Vol. 149, Page 623, Official Public Records of Glasscock Co., Texas  
Lessor: Delores J. Smith  
Lessee: Mariner Energy, Inc.

Date: March 25, 2013  
Recording: Book/Vol. 214, Page 393, Official Public Records of Glasscock Co., Texas  
Lessor: Glenn Joe Riley  
Lessee: Apache Corporation

Date: March 25, 2013  
Recording: Book/Vol. 214, Page 387, Official Public Records of Glasscock Co., Texas  
Lessor: Permian Basin Development Company, Inc.  
Lessee: Apache Corporation

Date: August 1, 2011  
Recording: Book/Vol. 173, Page 384, Official Public Records of Glasscock Co., Texas  
Lessor: Glasscock County Senior Citizens Center  
Lessee: Mariner Energy, Inc.

Date: February 1, 2011  
Recording: Book/Vol. 173, Page 026, Official Public Records of Glasscock Co., Texas  
Lessor: Commissioner of the General Land Office of the State of Texas  
Lessee: Apache Corporation

INSOFAR only as to the above described Oil and Gas Leases cover the lands within the boundary of the E.D. Books 1 "D" Pooled Unit shown on Exhibit B.



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

Attached to and made part of Declaration of the Apache Corporation  
E.D. Books 1 "D" Pooled Unit  
Block 34, T-3-S,  
T. & P. RR. Co. Survey

Block 33, T-3-S,  
T. & P. RR. Co.  
Survey  
43  
(S-19092)

Block 33, T-4-S,  
T. & P. RR. Co.  
Survey  
6  
(66319)

47  
(S-19313)

48  
(75221)

Fnd 2" Iron pipe  
beside set stone

Fnd Railroad Spike in  
centerline of county road

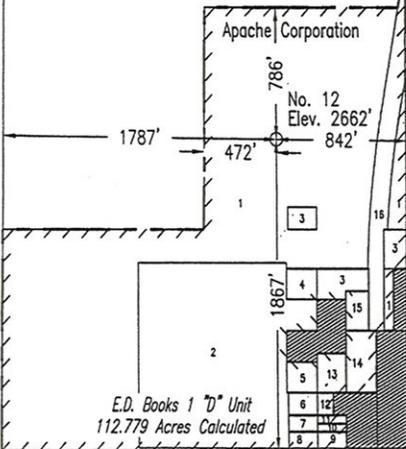
1  
(S-19314)  
(A-241)

Block 34, T-4-S,  
T. & P. RR. Co. Survey

RM 33

Tract	Acreage
1	72.04
2	25.64
3	2.67
4	0.85
5	0.85
6	0.59
7	0.44
8	0.44
9	0.44
10	0.22
11	0.22
12	0.149
13	1.03
14	1.69
15	0.81
16	4.70
Total	112.779

2  
(49586)



E.D. Books 1 "D" Unit  
112.779 Acres Calculated

City of  
Garden City

11  
(S-19319)

12  
(35273, 52569)

7  
(S-19098)



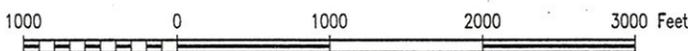
*Michael L. Stanford*

Date Well Location Staked September 4, 2012

NAD 27 C X = 1642346  
NAD 27 C Y = 803678

EMERGENCY RESPONSE LOCATOR

NAD 27 Lat. = 31° 52' 16.67" / 31.871297  
NAD 27 Long. = 101° 29' 07.40" / 101.485388



▨ Indicates acreage  
excluded from unit.

\* Indicates well bore status and calls obtained from RRC  
data base and does not represent an actual survey.

This plat is for Texas Railroad Commission Permit  
Purposes Only and is NOT a boundary survey and  
is NOT to be used to convey or establish  
interests in real property.

BASIS OF BEARINGS is the Texas State Plane  
Coordinate System Central Zone NAD 83.

Application for Well No. 12  
0.5 Miles North of Garden City, TX



Apache Corporation  
E.D. Books 1 "D" Unit No. 12 - 1867' FSL & 1787' FWL  
Section 1, Block 34, T-4-S, T. & P. RR. Co. Survey  
Glasscock County, Texas

STANFORD SURVEYING COMPANY  
P.O. BOX 8490  
MIDLAND, TEXAS 79708-8490  
432-699-5708

DRAWN BY Adam Welch

Rev. 3-13-2013 MLS  
DATE 09-27-2012

SCALE 1" = 1000'

FILE NAME A-7160



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

AT 10:00 FILED  
O'CLOCK A M  
ON THE 9 DAY OF April  
A.D., 2013  
INS. NO. 130734

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Batla  
County Clerk, Glasscock County, Texas

Rebecca Batla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Mona Feride DEPUTY

OFFICIAL PUBLIC RECORDS  
VOL. 215 PAGE 446  
RECORDED April 9, 2013

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE  
STATE OF TEXAS  
COUNTY OF GLASSCOCK

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Official Public Records of my office, found in VOL. 215, PAGE 446.



I hereby certified on April 10, 2013  
REBECCA BATLA, COUNTY & DISTRICT CLERK  
GLASSCOCK COUNTY, TEXAS  
BY Mona Feride DEPUTY



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

Page 6 of 6



April 9, 2013

Texas General Land Office  
**Attn: Beverly Boyd, Energy Resources, Mineral Leasing**  
P.O. Box 12873  
Austin, TX 78711

**RE: Declarations of Pooled Unit crossing State of Texas lands in Section 1, Block 34, Township 4 South, T&P RR Co Sy, Glasscock County, Texas**

Beverly:

Apache Corporation has filed a Unit Designation which pools the State of Texas lease in the above captioned land. Included in this mailing is a copy of the following State of Texas lease and a certified copy of the recorded Pooling Declaration:

- The State of Texas Oil and Gas Lease No.(112010) covering Section 1, Block 34, Township 4 South, T&P RR Co. Sy. Glasscock County, Texas and recorded at OPR Book/Vol. 173, Page 026 in Glasscock County, Texas
  - **Declaration of the E.D. Books 1 "D" Pooled Unit recorded at OPR Book/Vol. 215, Page 446 Glasscock County, Texas**

If you need any further information, please contact me.

Thank you,

Laura Neinast  
[lineinast@veritas321.com](mailto:lineinast@veritas321.com)  
432.682.4002 ext (111)

**Enclosures (3)**

1 State of Texas Lease  
1 Certified Copy  
1 HROW



# The State of Texas

BOOK 173

PAGE 026

HROW Lease  
Revised 8/06

## Austin, Texas

# 8288

PAID-UP  
OIL AND GAS LEASE NO. (MF 112010)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and **Apache Corporation**, whose address is **303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705** hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Nine Hundred Fifty Seven 00/100 (\$ 1,957.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock**, State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **7.828 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **two years, from February 1st, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. **ROYALTIES:** As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **1/4** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **1/4** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **1/4** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **1/4** of such gas and casing head gas.



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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 5.00 per acre**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance often percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within



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

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

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

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

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

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

8. **NOTICE:** In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

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

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

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

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

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

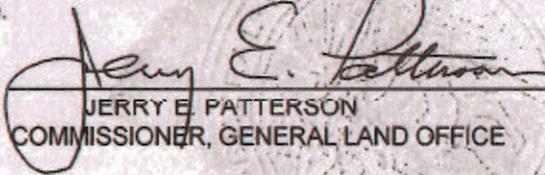
14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well

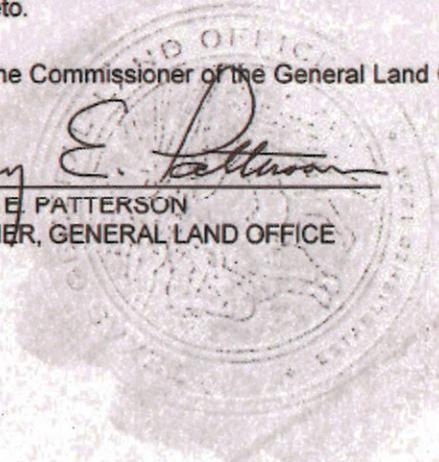


causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE



Approved:

ML: DR

DC: CCR

CC: 

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 1st 2011, by and between the State of Texas, as lessor, and Apache Corporation as lessee, covering acreage to be leased in Glasscock County, Texas, along State Highway 33.

7.828 acres of land, more or less, situated in Section 1, Block 34, T-4S, T&P RR Co Survey. Said lands being described in the following deed filed in the Deeds of Record, Glasscock County, Texas

Deed from Eva Curie to the State of Texas  
dated: 10/17/1945 and recorded in Vol. 56, P. 226  
of the Deed Records of Glasscock County, Texas



T&P RR CO  
A-142

T&P RR CO  
A-1013

T&P RR CO  
A-240

T&P RR CO  
A-827

T&P RR CO  
A-241

FM 33

CR 301

CR 415

1  
MF112010

T&P RR CO  
A-679

Bearkat

Hickory

Chambers

Wilson

Keathley

Mason

Myn

Friedo

Boylan

T&P RR CO  
A-644

Currie

T&P RR CO  
A-571

12

T&P RR CO  
A-668

T&P RR CO  
A-148

158

T&P RR CO  
A-246

Pecan

T&P RR  
A-70

GLASSCOCK  
COUNTY

STERLING  
COUNTY

Map Showing a Buffer of  
FM 33  
7.828 Acres  
Glasscock County, TX



1,200 600 0 1,200 Feet

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Generated by:  
Mark Conway  
IS/BAS/GIS  
February 2011

**From:** "Berry, Johnny" <Johnny.Berry@apachecorp.com>  
**To:** Hannah Carnes <Hannah.Carnes@GLO.TEXAS.GOV>  
**Date:** 5/24/2013 12:19 PM  
**Subject:** RE: New Unit Set-up

Hannah,

I have E D Books 1 with several well numbers, and I have E D Books 1A Unit and E D Books 1B Unit, but no E D Books 1D Unit.

Johnny B Berry  
Apache Corporation  
Compliance Accounting - Severance Tax  
(713) 296-6762  
Johnny.Berry@apachecorp.com

-----Original Message-----

From: Hannah Carnes [mailto:Hannah.Carnes@GLO.TEXAS.GOV]  
Sent: Thursday, May 23, 2013 4:20 PM  
To: Berry, Johnny  
Subject: New Unit Set-up

Johnny,

I have attached a new unit setup for the E.D. Books 1 "D" Unit. Please verify that the royalty calculation information on the set-up agrees with your records and let me know if you have any questions/concerns.

Thanks,

Hannah Carnes  
Texas General Land Office  
Financial Management  
Financial Subsidiary Operations  
512.463.9083 Direct Line  
hannah.carnes@glo.texas.gov

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 6/12/2013  
MF 112010  
Unit 6246

Property: 01979601/00001 BOOKS E D 1D UNIT #12 ALL BPO  
State: TEXAS County/Parish: GLASSCOCK

Venture Number: 026944

<u>OWNER</u>	<u>INTEREST TYPE</u>	<u>EXC</u>	<u>INTEREST</u>	<u>EFF DATE</u>
0016934801 COMMISSIONER OF THE GENERAL LAND	(RI) - ROYALTY INTEREST	01	0.01041861	9/1/2012

Legal Description:

TX GLASSCOCK T&P RR CO ABST/ID# 241 Twsp 4S Blk 34 Sec 1 QQ NESW

**OIL AND GAS DIVISION ORDER**

Date: 06/12/2013

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400



01979601/00001.1  
BOOKS E D 1D UNIT #12  
ALL BPO

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

**INDEMNITY:** The Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the Owner's interest to which Payor is made a party.

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

**TERMINATION:** Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.**

\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SIGNATURE OF INTEREST OWNER

\_\_\_\_\_  
WITNESS NAME

746000108  
\_\_\_\_\_  
SOCIAL SECURITY OR TAX ID NUMBER

**COMMISSIONER OF THE GENERAL LAND  
OFFICE OF THE STATE OF TEXAS  
GENERAL LAND OFFICE**

\_\_\_\_\_  
OWNER TELEPHONE NUMBER

1700 N CONGRESS STREET

0016934801

AUSTIN TX US 78701-1436

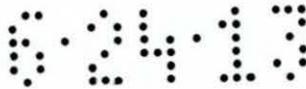
THIS COPY FOR YOUR FILE

**Apache Corporation**

**PHONE: (713)-296-6000**

**FAX: (713)-296-6453**

**06/12/2013**



**Apache Corporation  
One Post Oak Central  
2000 Post Oak Blvd  
Suite 100  
Houston, TX 77056-4400**

**Owner Number: 0016934801      COMMISSIONER OF THE GENERAL LAND**

**RE: Property: 01979601 - BOOKS E D 1D UNIT #12 ALL BPO**

Dear Interest Owner:

Enclosed is Apache Corporation's Division Order or Transfer Order in duplicate for your review and signature. Please ensure the Division Order or Transfer Order correctly reflects the following information:

- Your name and address for contact purposes and mailing of checks and payment information.
- Your social security or tax identification number.
- Property legal description(s), including county and state.
- Your ownership and decimal interest in the described property(ies).

The Property and Division Order Number(s) will be on your check detail to identify payments for your interest(s). The Owner Number is your identifying number with Apache. Please refer to your Owner Number and provide the last four digits of your tax ID when making inquiries about your payments or your interest(s).

Apache's payments are issued once each month. Proceeds are accumulated until the total reaches the minimum payment according to state statute, or 12 months, whichever occurs first. Small amounts are accumulated until they reach \$10 or until Apache is no longer responsible for distributing proceeds.

**INSTRUCTIONS FOR EXECUTION OF DIVISION ORDER OR TRANSFER ORDER:**

1. Sign your name as it is shown on the Division Order or Transfer Order. Type or print your name legibly under your signature and return one original to Apache. If Transferor is deceased, disregard.
  - a. Division Orders and Transfer Orders for corporations must be executed by an authorized officer, attested by the secretary or assistant secretary and the corporate seal affixed thereto, or by an authorized attorney-in-fact.
  - b. Division Orders and Transfer Orders for individuals should be witnessed by two (2) disinterested third parties in the space provided.
  - c. If the Division Order or Transfer Order is signed by an agent, attorney-in-fact, guardian or any other party than the named interest owner, please furnish evidence of the rights vested in the signatory party.
2. Federal regulations require that we report payments of this nature to the Internal Revenue Service. Type or print your social security or tax identification number by your signature if not already shown. If shown incorrectly, please strike through the incorrect number and correct the number. If this number is not provided, federal law requires Apache to withhold 31% for taxes.
3. Return one original to Apache in the envelope provided and retain one original for your records.

For all questions concerning the Division Order or Transfer Order, please contact the analyst whose name is shown on the enclosed return envelope or call our Inquiry Line at 1-800-272-2434 or 713-296-6000.

**APACHE CORPORATION**  
Corporate Land Administration

**COMMISSIONER OF THE GENERAL LAND  
OFFICE OF THE STATE OF TEXAS  
GENERAL LAND OFFICE**

**1700 N CONGRESS STREET**

**AUSTIN TX US 78701-1436**

File No. MF 112010  
Division Order

Date Filed: 6/24/13  
Jerry E. Patterson, Commissioner  
By EA



# OIL AND GAS DIVISION ORDER

Date: 12/03/2014

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

01708501/00001.1  
BOOKS E D 1 B UNIT  
#04,11,14,16

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

**INDEMNITY:** The Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the Owner's interest to which Payor is made a party.

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

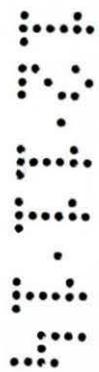
**TERMINATION:** Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.**



\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SIGNATURE OF INTEREST OWNER

\_\_\_\_\_  
WITNESS NAME

  
\_\_\_\_\_  
SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

4326844404

COMMISSIONER OF THE GENERAL LAND O

\_\_\_\_\_  
OWNER TELEPHONE NUMBER

0085439001

STEPHEN F AUSTIN BUILDING

1700 NORTH CONGRESS AVENUE

AUSTIN TX US 78701

EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 12/3/2014

Property: 01708501/00001 BOOKS E D 1 B UNIT #04,11,14,16  
State: TEXAS County/Parish: GLASSCOCK

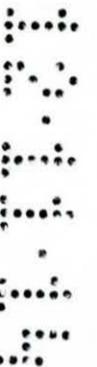
Venture Number: 025509

<u>OWNER</u>	<u>INTEREST TYPE</u>	<u>EXC</u>	<u>INTEREST</u>	<u>EFF DATE</u>
0085439001 STATE OF TEXAS	(RI) - ROYALTY INTEREST	01	0.00609375	1/1/2011

Legal Description:

TX GLASSCOCK T&P RR CO ABST/ID# 241 Twsp 4S Blk 34 Sec 1 QQ N2SE  
TX GLASSCOCK T&P RR CO ABST/ID# 241 Twsp 4S Blk 34 Sec 1 QQ S2NE

UNIT 6246  
MF 112010  
~~MF 113863~~



41151

DIVISION ORDER

M.

File No. MF 112010

Date Filed: 7-17-15

Jerry E. Patterson, Commissioner

By TRAVIS MATTHEWS

**DO NOT DESTROY**



**Texas General Land Office  
UNIT AGREEMENT MEMO**

UPA158970

Unit Number 7678

Operator Name Apache Corporation Effective Date 04/01/2012

Customer ID C000023272 Unitized For Oil And Gas

Unit Name E.D. Books 1 "B" Unit Unit Term

County 1 Glasscock RRC District 1 08 Old Unit Number Inactive Status Date

County 2 RRC District 2

County 3 RRC District 3

County 4 RRC District 4

Unit type Permanent

State Net Revenue Interest Oil 0.00609375

State Part in Unit 0.02437500

Unit Depth Allow All Depths Well

From Depth Formation

To Depth Participation Basis Surface Acreage

If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF112010	1	3.900000	160.000000	0.02437500	O/G	0.25000000	0.00609375	No

API Number

4217333739, 4217335324, 4217335904, 4217336156

Remarks:

HROW Unit

Prepared By: CMB Prepared Date: 9/18/15

GLO Base Updated By: CMB GLO Base Date: 9/18/15

RAM Approval By: EW RAM Approval Date: 9.18.15

GIS By: MC GIS Date: 10-13-15

Well Inventory By: CMB WI Date: 9/18/15

# Pooling Committee Report

To: School Land Board

UPA158970

Date of Board Meeting:

Unit Number: 7678

Effective Date: 04/01/2012

Unit Expiration Date:

Applicant: Apache Corporation

Attorney Rep:

Operator: Allen, Vera, Sterling City

Unit Name: E.D. Books 1 "B" Unit

Field Name: SPRABERRY (TREND AREA)

County: Glasscock

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
HROW	MF112010	0.25000000	02/01/2013	2 years	7.828000	3.900000	0.00609375

<b>Private Acres:</b>	156.100000
<b>State Acres:</b>	3.900000
<b>Total Unit Acres:</b>	160.000000

<b>Participation Basis:</b>	Surface Acreage
Surface Acreage	
<b>State Acreage:</b>	2.44%
<b>State Net Revenue Interest:</b>	0.61%

<b>Unit Type:</b>	<b>Unitized for:</b>
Permanent	Oil And Gas
<b>Term:</b>	

<b>RRC Rules:</b>	<b>Spacing Acres:</b>
Yes	



**Highway Right-of-Way Unit Designation Form**  
 Texas General Land Office  
 George P. Bush, Commissioner  
 1700 North Congress Avenue  
 Austin, Texas 78701-1495

Unit 7678

**OPERATOR INFORMATION**

Contact Name RANDIS GALLAWAY Phone (432 ) 818-1849  
 Name of Pooled Unit E.D. BOOKS 1 "B" UNIT  
 Operator of Pooled Unit APACHE CORPORATION County GLASSCOCK  
 Effective Date of Unit Declaration: 4/1/12

**HROW LEASE(S) IN UNIT**

HRWO State Lease No.	Lease Date	Term	HROW Royalty	Total Acreage in HROW Lease	HROW Lease Acreage in Unit
MF112010	2/1/2011	2 YR	1/4	7.828	3.9

Total Unit Acreage 160 Ac.

Total HRWO Acreage In Unit 3.9 Ac.

Total Private (non-state) Acreage In Unit 156.1 Ac.

<b>State's Royalty Revenue Interest in Unit:</b>	0	.	0	0	6	0	9	3	7	5
--	---	---	---	---	---	---	---	---	---	---

Attach a plat showing the pooled unit outline, unit well(s) location, and HROW lease tracts.

Type of Mineral Pooled:  Oil  Gas  Oil & Gas  
 Pooled Interval: All Depths  Top Depth \_\_\_\_\_ Base Depth \_\_\_\_\_

If pooling a Formation(s) please list Formation Name: \_\_\_\_\_

RRC Field Name(s): SPRABERRY (TREND) & JAILHOUSE (FUSSELMAN)

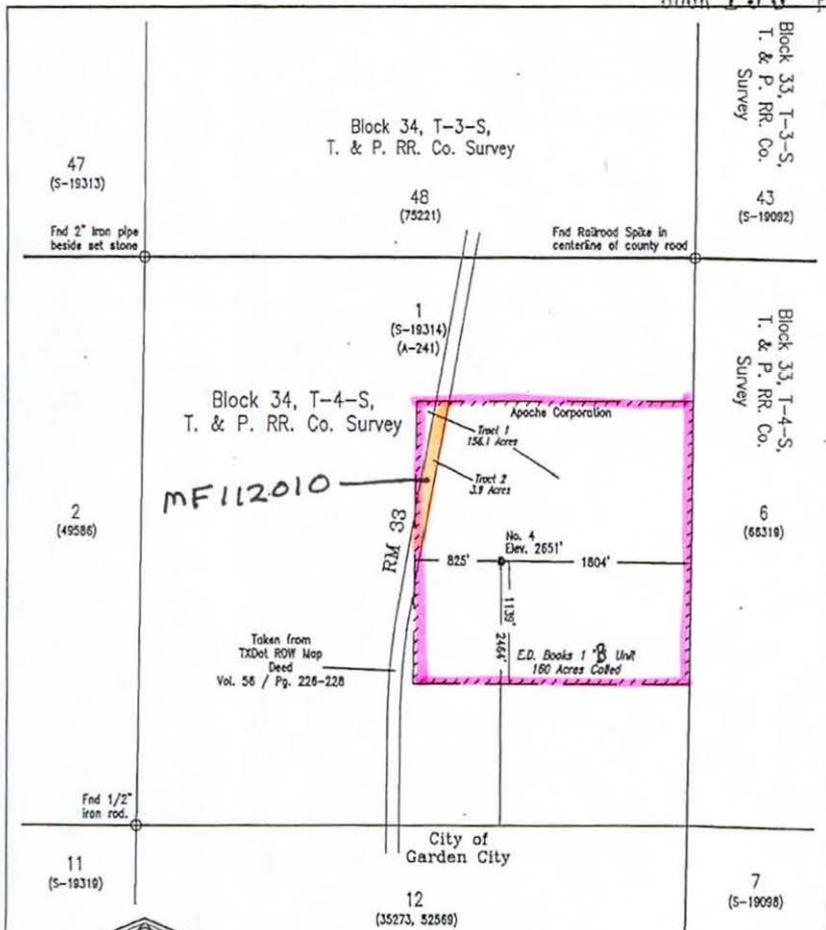
**UNIT WELL(S)**

API # 42-173-33739 RRC ID# 42528  
 API # 42-173-35324 RRC ID# 44335  
 API # 42-173-35904 RRC ID# 44335  
 API # 42-173-36156 RRC ID# 44335

HROW

Unit 7678

mF 112010



*Michael L. Stanford*

Date Well Location Staked June 22, 2010  
 NAD 27 X = 1643810  
 NAD 27 Y = 804690  
 EMERGENCY RESPONSE LOCATOR  
 NAD 27 Lat. = 31° 52' 26.83" / 31.874119  
 NAD 27 Long. = 101° 28' 50.55" / 101.480707



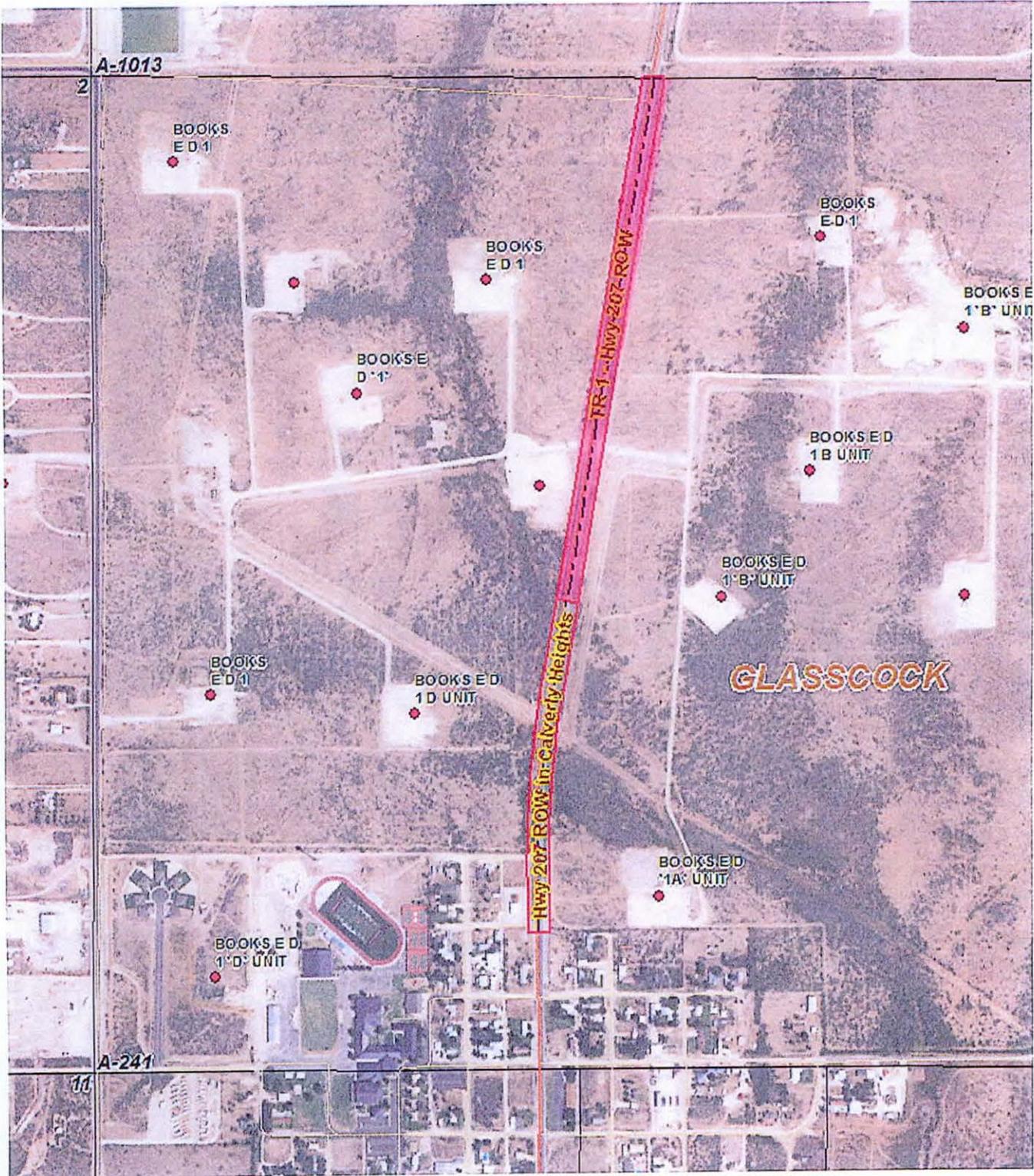
This plot is for Texas Railroad Commission Permit Purposes Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

BASIS OF BEARINGS is the Texas State Plane Coordinate System Central Zone NAD 83.  
 Application for Well No. 4  
 0.5 Miles North of Garden City, TX



Apache Corporation E.D. Books 1 & 2 Unit No. 4 - 2464' FSL & 1804' FEL Section 1, Block 34, T-4-S, T. & P. RR. Co. Survey Glasscock County, Texas		STANFORD SURVEYING COMPANY P.O. BOX 8490 MIDLAND, TEXAS 79708-8490 432-699-5708	
DRAWN BY: Adam Welch	Rev. 07-12-2012 ASW DATE 03-12-2012	SCALE 1" = 1000'	FILE NAME A-48278





A-1013

2

BOOKS  
ED 1

BOOKS  
ED 1

BOOKS  
ED 1

BOOKS E  
1 B UNIT

BOOKSE  
D 1

BOOKS ED  
1 B UNIT

BOOKS ED  
1 B UNIT

GLASSCOCK

BOOKS  
ED 1

BOOKS ED  
1 D UNIT

BOOKS ED  
1 A UNIT

BOOKS ED  
1 D UNIT

A-241

11

# 122132

DECLARATION OF THE APACHE  
E.D. BOOKS 1 "B" UNIT

State: Texas  
County: Glasscock  
Lessees: Apache Deepwater LLC, successor to Mariner Energy, Inc. and Apache Corporation  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

Lessees, named above, designate the following lands covered by the Leases described in Exhibit "A", attached hereto and made a part hereof for all purposes, as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

The South half of the Northeast Quarter (S/2 NE/4) and the North Half of the Southeast Quarter (N/2 SE/4) of Section 1, Block 34, Township 4 South, T&P R.R. Co. Svy., Glasscock County, Texas, comprising 160 acres, more or less, as shown on the plat attached hereto as Exhibit "B" and made a part hereof for all purposes.

This Declaration shall be, and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessees, as long as the Leases are maintained in force and effect, insofar as they cover the lands contained within said Unit.

Executed by Lessees as of the date of the acknowledgement, but effective for all purposes as of the date of first production.

Apache Deepwater LLC  
Apache Corporation

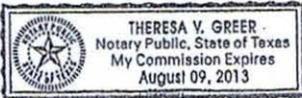
*Timothy R. Custer*  
Name: Timothy R. Custer  
Title: Attorney-in-Fact

E.D.B., LTD., a Texas Limited Partnership  
By: Glasscock Properties, L.L.C., its General Partner

*Brenda Cook Nix*  
By: Brenda Cook Nix, President of Glasscock Properties, L.L.C

State of Texas §  
County of Midland §

This instrument was acknowledged before me on the 10<sup>th</sup> day of AUGUST, 2012 by Timothy R. Custer, Attorney-in-Fact for Apache Deepwater LLC, a Delaware limited liability company, and Apache Corporation, a Delaware corporation, on behalf of said limited liability company.



*[Signature]*  
NOTARY PUBLIC FOR STATE OF TEXAS

STATE OF TEXAS

§  
§  
§

COUNTY OF HENDERSON

This instrument was acknowledged before me on July 27<sup>th</sup>, 2012, by Brenda Cook Nix, as President of Glasscock Properties, LLC General Partner of E.D.B., LTD., a Texas Limited Partnership, on behalf of said partnership.

Rebecca Dickenson  
NOTARY PUBLIC FOR STATE OF TEXAS

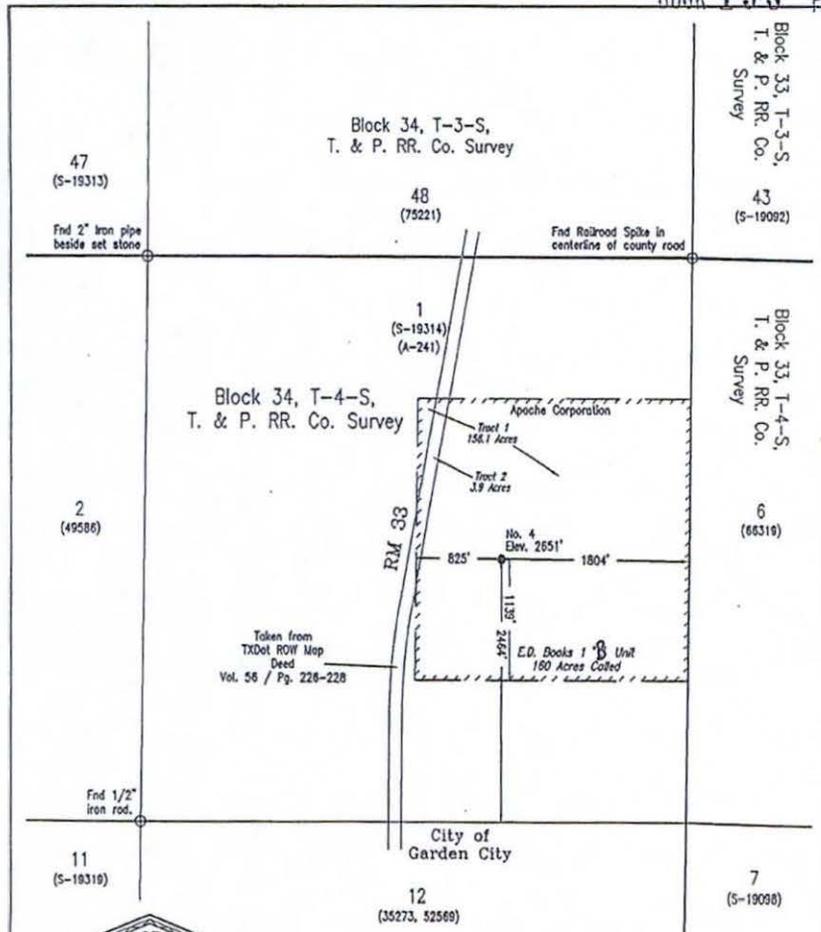


EXHIBIT "A"

Attached to and made part of Declaration of the Apache  
E.D. Books 1 "~~2~~" Unit

Date: March 26, 2007  
Recording: Book/Vol. 101, Page 50, Official Public Records of Glasscock Co., Texas  
Lessor: E.D.B., LTD  
Lessee: MPI Energy Partners, LP  
Assignment: from Element Petroleum LP (formerly MPI Energy Partners, LP) to Mariner Energy, Inc.  
recorded in Book/Vol. 130, Page 012

Date: February 1, 2011  
Recording: Book/Vol. 173, Page 026, Official Public Records of Glasscock Co., Texas  
Lessor: Commissioner of the General Land Office of the State of Texas  
Lessee: Apache Corporation



*Michael L. Stanford*

Date Well Location Staked June 22, 2010

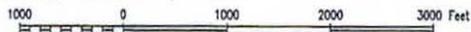
NAD 27 X = 1643810

NAD 27 Y = 804690

EMERGENCY RESPONSE LOCATOR

NAD 27 Lat. = 31° 52' 26.83" / 31.874119

NAD 27 Long. = 101° 28' 50.55" / 101.480707



This plot is for Texas Railroad Commission Permit Purposes Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

BASIS OF BEARINGS is the Texas State Plane Coordinate System Central Zone NAD 83.

Application for Well No. 4  
0.5 Miles North of Garden City, TX.



Apache Corporation  
 E.D. Books 1 & 2 Unit No. 4 - 2464' FSL & 1804' FEL  
 Section 1, Block 34, T-4-S, T. & P. RR. Co. Survey  
 Glasscock County, Texas

STANFORD SURVEYING COMPANY  
 P.O. BOX 8490  
 MIDLAND, TEXAS 79708-8490  
 432-689-5708

DRAWN BY Adam Welch

Rev. 07-12-2012 ABW  
 DATE 03-12-2012

SCALE 1" = 1000'

FILE NAME A-48278

FILED  
AT 11:45 O'CLOCK A M  
ON THE 17 DAY OF aug  
A.D., 2012  
INS. NO. 152132

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.

Rebecca Barla



Rebecca Barla  
County Clerk, Glasscock County, Texas

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Mona J. Wilde  
DEPUTY

OFFICIAL PUBLIC RECORDS  
VOL. 196 PAGE 031  
RECORDED Aug 17, 2012

File No. MF 112010  
Glasscock County  
Unit 7678 Agreement  
Date Filed: 9/18/15  
George P. Bush, Commissioner  
By MB Barnstone