

MF112162

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF112162	65-900877		GLASSCOCK

EXPIRED
 DATE 7-29-15
 LEASING JM
 MAPS [Signature]
 GIS MC

Leasing: [Signature]
Analyst: [Signature]
Maps: _____
GIS: LS
DocuShare: _____

<i>Survey</i>	GLASSCOCK COUNTY ROADS	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>	US 87	
<i>Part Description</i>		
<i>Acres</i>	9.45	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
<i>Name</i>	APACHE CORP	
<i>Lease Date</i>	4/5/2011	
<i>Primary Term</i>	2 yrs	
<i>Bonus (\$)</i>	\$2,362.50	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.2250	



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

ATTENTION FILE USERS!
 This file has been placed in table of contents order.
 RETURN TO VAULT WITH DOCUMENTS IN ORDER!



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The State of Texas

HROW Lease
Revised 8/06



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 112162)
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 **Two Thousand Three Hundred Sixty Two 50/100 (\$ 2,362.50)** 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:

9.45 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 **9.45** 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 April 5th, 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 **22.5%** 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 **22.5%** 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 **22.5%** 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 **22.5%** 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.

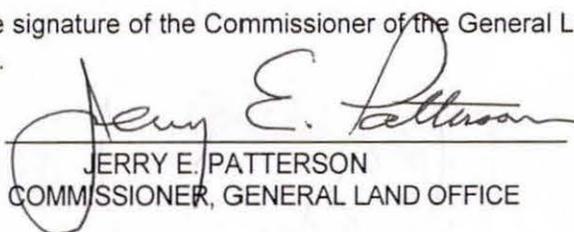
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

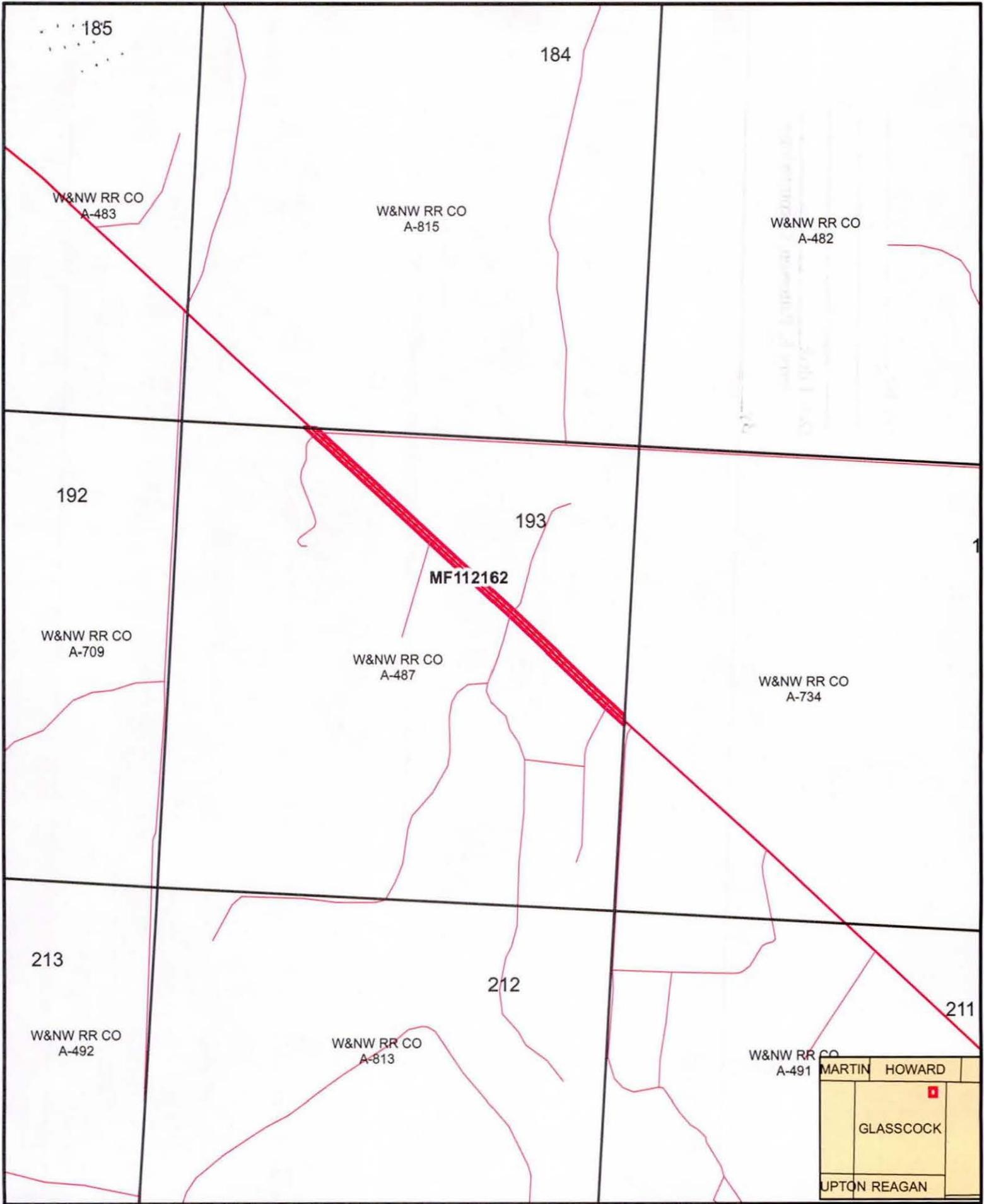
Approved:
ML: 
DC: 
CC: 

Exhibit A"

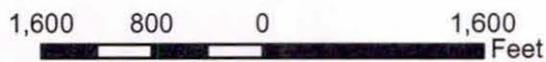
Attached hereto and made a part of that certain Oil and Gas Lease dated April 5th 2011, by and between the State of Texas, as lessor, and Apache Corporation as lessee, covering acreage to be leased in Glasscock County, Texas, US Highway 87.

9.45 acres of land, more or less, situated in the East Half (E/2) of Section 193, Block 29, W&NW RR Co. Survey. Said lands being described in the following deed filed in the Deeds of Record, Glasscock Co.

Deed from George O'Barr to the State of Texas
Date: 3/26/1936 and recorded in Vol. 45, P. 72
of the Deed Records, Glasscock County, Texas



Map Showing a Buffer of
US 87
Glasscock County



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.



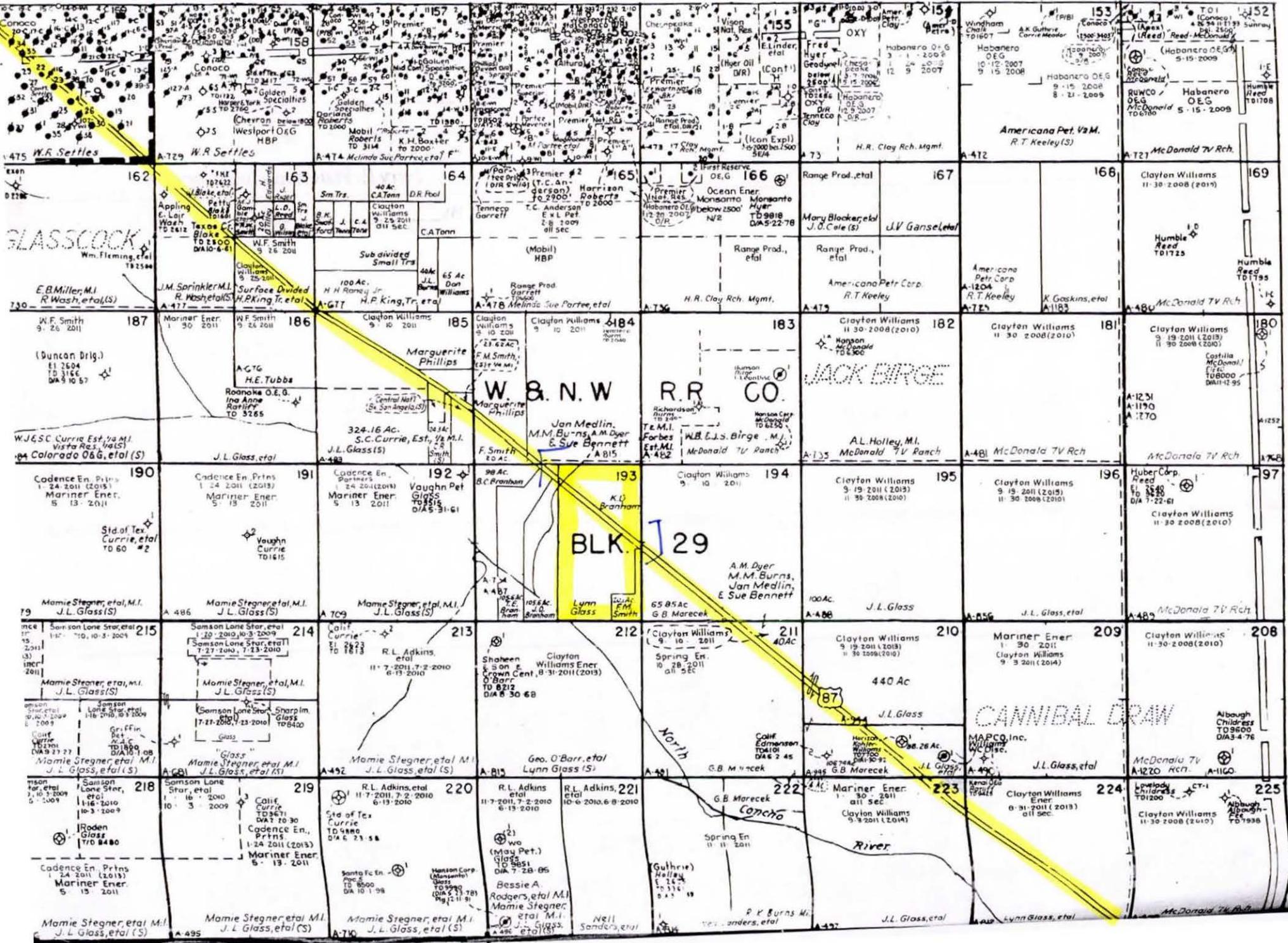
Map Generated by
Zeke Guillen
IS/BAS/GIS
April 8, 2014

1.
File No. MF112162

Lease

Date Filed: 1/5/11
Jerry E. Patterson, Commissioner

By [Signature]



2.

File No. DF 112/62

Stat

Date Filed: 1/5/11
Jerry E. Patterson, Commissioner

By [Signature]



MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

HIGHWAY RIGHT OF WAY LEASE CHECKLIST

STATE LEASE MF 112162

LESSEE Apache Corporation

Address 303 Veterans Airpark Drive, Suite 3000, Midland, TX 79705

BONUS PER ACRE \$250⁰⁰ (Check for affidavit of consideration paid.)

TOTAL CONSIDERATION \$2,362⁵⁰ PAID? Yes No WHEN? _____

ROYALTY 22.5% TERM 2 years

DATE OF LEASE 4/5/11

SHUT IN ROYALTY PER ACRE \$5⁰⁰ TOTAL ACRES 9.45

COUNTY Glasscock

ROAD NAME US-87

FULL DESCRIPTION [Abstract, Block, Township, Section]
E/2 of Section 193, Block 29, W.F.N.W. 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 description

45 /

STREBY

therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 27th day of March A.D. 1936.

(SEAL) Clyde E. Thomas
Notary Public, Howard County, Texas.

Filed for record April 20th ~~1936~~, 1936 at 4:00 o'clock P.M.
Recorded April 22, 1936 at 9:00 o'clock A.M.

George B. O'Barr
County Clerk of Glasscock County, Texas.

(File # 1236) STATE HIGHWAY DEPARTMENT OF TEXAS
Right-of-Way Deed
STATE OF TEXAS }
COUNTY OF GLASSCOCK } KNOW ALL MEN BY THESE PRESENTS:

THAT I, George B. O'Barr, a single man, of the County of Glasscock in the State of Texas, for and in consideration of the sum of One Thousand Three Hundred Fifty Five & 92/100 (\$1355.92) Dollars, to me cash in hand paid by the State of Texas, acting 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 a survey originally granted to J. T. O'Barr by Pat.No.109, Vol.164, Abstract No.487, and known as the East one half of Survey No. 193, Block No.29, W.M.W.Ry. Company, and being a part of a tract of 320 acres conveyed by J. T. O'Barr and wife Willis A. O'Barr to George B. O'Barr by deed dated the 25th day of April, 1935, and recorded in Volume 42, Page 573 of the Deed Records of Glasscock County, Texas; said tract or parcel of land herein conveyed, being subject to lien (s) held by _____ and being more particularly described as follows, to-wit:

A strip of land 150 feet wide on and across the land owned by George B. O'Barr, 100 feet on the right side of and 50 feet on the left side of and at right angles to the located center line of State Highway No. 9 in Glasscock County, Texas, from Station 270+95.2 to Station 277+00; and a strip of land 100 feet wide on and across the land owned by George B. O'Barr, 50 feet on each side of and at right angles to the located center line from Station 277+00 to Station 292+00; and a strip of land 150 feet wide on and across the land owned by George B. O'Barr, 100 feet on the right side of and 50 feet on the left side of and at right angles to the located center line from Station 292+00 to Station 300+00; and a strip of land 100 feet wide on and across the land owned by George B. O'Barr, 50 feet on each side of and at right angles to the located center line from Station 300+00 to Station 305+08; said center line being described as follows:

BEGINS at a point where the located center line of State Highway No.9 in Glasscock County, Texas, intersects the East line of W.M.W.Ry. Company Survey No.193, Block No.29, said point being North 2 deg.24 min. East 2,255.0 feet from the Southeast corner of W.M.W.Ry. Company Survey No.193, Block No.29; THENCE North 48 deg. 23 min. West 3,412.8 feet to a point where the said center line intersects the West line of the said George B. O'Barr property. The tract of land herein conveyed contains 9.45 acres. Reference is hereby made to the Right-of-Way Map of State Highway No.9 recorded in the Deed Records of Glasscock County, Texas.

It is agreed that, as a part of the consideration herein, the Grantee shall remove and cause to be removed, without expense to grantors, all such fences, buildings and other obstructions from the property above described, and use reasonable care in the removal of the same as to preserve the value of the said fences, buildings and outhouses, if any, ~~the~~ the grantor may then take possession of same for his own use and benefit as he may see fit.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And I do hereby bind myself, my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 27 day of March, A.D. 1936.

George B. O'Barr

STATE OF TEXAS,
COUNTY OF HOWARD

Before me, Clyde E. Thomas, a notary public in and for said county and State, on this day personally appeared George B. O'Barr, known to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 27th day of March A.D. 1936.

(SEAL)

Clyde E. Thomas
Notary Public, Howard County, Texas.

Filed for record April 20, 1936 at 4:00 o'clock P.M.

Recorded April 22, 1936 at 10:30 o'clock A.M.

J. B. Patterson
County Clerk of Glasscock County, Texas.

(File # 1239)

THE STATE OF TEXAS
COUNTY OF UVALDE

BEFORE ME, the undersigned authority in and for Uvalde County, State of Texas, on this day personally appeared J. A. Allen, Jr., to me well known; and BEFORE ME, the undersigned authority in and for Tom Green County, State of Texas, on this day personally appeared C. E. Clark to me well known; each being duly sworn by the respective authorities before whom they appeared severally state on their oaths as follows:

That the affiant J. A. Allen, Jr., is a son of Sarah Allen and J.A. Allen and affiant C.E. Clark is a son-in-law of the said Sarah Allen and the said J. A. Allen and affiants each now state upon their oaths that the said Sarah Allen died at Big Springs, Texas, on or about May 3rd., 1918, at which place the family then resided and the said J. A. Allen died on or about July 6th., 1931, at Batesville, Zavalla County, Texas, at which place he then resided. Both the said Sarah Allen and the said J. A. Allen died intestate leaving no will. That the said Sarah Allen was never married save and except to the said J. A. Allen. That the said J. A. Allen, after the death of his first wife, Sarah Allen, was married to Debra A. Allen and continued to live with the said Debra A. Allen until the time of his death. That the said Sarah Allen and J. A. Allen had and left surviving them the following children who constitute all of the heirs at law and the only heirs at law of the said Sarah Allen and J. A. Allen; there being no child of any deceased child to wit:

FIRST: J. A. Allen, Jr., a son, of Uvalde, Texas.

SECOND: Josie Williams, formerly Josie Allen, a daughter, and a feme sole, of Tom Green County, State of Texas.

4.

File No. MF 112162

Deed

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

FINAL

DATE:	September 8, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

JAMES LYNN GLASS AND HELEN S. GLASS, HUSBAND AND WIFE
 ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

PROPERTY DESCRIPTION:

TRACT 1: E/2 SECTION 27, BLOCK 30, W&NW RR CO. SY.
 TRACT 2: ALL OF SECTION 28, BLOCK 30, W&NW RR CO. SY.
 TRACT 3: E/2 SECTION 193, BLOCK 29, W&NW RR CO. SY.
 TRACT 4: ALL OF SECTION 224, BLOCK 29, W&NW RR CO. SY.

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	DOCUMENTS SUBMITTED:	
<input type="checkbox"/> RENEWAL	<input type="checkbox"/> STATE	<input checked="" type="checkbox"/> ORIGINAL LEASE	<input type="checkbox"/> COMPLETED W9
<input type="checkbox"/> RATIFICATION	<input type="checkbox"/> GOVT. AGENCY	<input type="checkbox"/> MEMORANDUM OF LEASE	<input type="checkbox"/> MIN INT/GRSS ACS/NET ACS SPST
<input type="checkbox"/> EXTENSION	<input checked="" type="checkbox"/> FEE	<input type="checkbox"/> LEASE PLAT	<input type="checkbox"/> ORIGINAL PATENT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input type="checkbox"/> COPY OF DRAFT/CHECK	<input type="checkbox"/> RECEIPT OF CHECK
BOOK: 120	PAGE: 720	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST: GLASSCOCK, TX
DATE: January 30, 2008	EFFECTIVE DATE: January 30, 2008	EXPIRATION DATE: January 30, 2011	TERM (YRS): 3
MINERAL INTEREST: SEE EXHIBIT "A" ATTACHED	GROSS ACRES: 1,920.0000	NET ACRES: 562.0000	ROYALTY RATE: 0.22500000
CO. GWI: 1,000,000.00		CO. NET ACRES: 562.0000	SHUT-IN ROYALTY AMOUNT: \$2,810.00
BONUS PER ACRE: \$250.00	TOTAL COST OF LEASE: \$140,500.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: James Lynn Glass and Helen S. Glass, Husband and Wife	SEE EXHIBIT "A" ATTACHED
CONTINUED	
ADDRESS: 801 Overton Rd.	
ADDRESS:	
CITY ST ZIP: Big Spring, TX 79720	
TIN: James: [REDACTED] Helen: [REDACTED]	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
	TOTAL INTEREST: 0.00000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:
 *2 year shut-in royalty - \$5.00 per net acre
 *Pooling provision
 *Drainage Clause
 *Furnish all well info.
 *120 day cessation clause/ horizontal pugh in paragraph 11.
 *James Lynn Glass was paid a total bonus of \$519,225.00 and \$140,500.00 pertains to this particular lease. As well, the mineral interest and net acreage specified on this LPR pertain to this lease only.

PAY TO THE ORDER OF James Lynn Glass and Helen F. Glass

\$**519,225.00

Five Hundred Nineteen Thousand Two Hundred Twenty-Five and 00/100***** DOLLARS

James Lynn Glass and Helen F. Glass
 801 Overton Road
 Big Spring, TX 79720

MEMO Bonus Consideration

AUTHORIZED SIGNATURE

⑈002766⑈

VERITAS 321 ENERGY PARTNERS, LP

002766

James Lynn Glass and Helen F. Glass

Date	Type	Reference	Original Amt.	Balance Due	2/4/2008 Discount	Payment
2/4/2008	Bill	Bonus Consideration	519,225.00	519,225.00		519,225.00
				Check Amount		519,225.00

(WNB) Veritas 321 EP Bonus Consideration

519,225.00

VERITAS 321 ENERGY PARTNERS, LP

002766

James Lynn Glass and Helen F. Glass

Date	Type	Reference	Original Amt.	Balance Due	2/4/2008 Discount	Payment
2/4/2008	Bill	Bonus Consideration	519,225.00	519,225.00		519,225.00
				Check Amount		519,225.00

(WNB) Veritas 321 EP Bonus Consideration

519,225.00



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

FINAL

DATE:	June 19, 2009	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

GEORGE O. SMITH

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

PROPERTY DESCRIPTION:

E/2 OF SECTION 193, BLOCK 29, W&NW RR CO. SY.

NEW <input checked="" type="checkbox"/>	FEDERAL <input type="checkbox"/>	DOCUMENTS SUBMITTED:	
RENEWAL <input type="checkbox"/>	STATE <input type="checkbox"/>	ORIGINAL RATIFICATION <input checked="" type="checkbox"/>	COMPLETED W9 <input checked="" type="checkbox"/>
RATIFICATION <input checked="" type="checkbox"/>	GOVT. AGENCY <input type="checkbox"/>	MEMORANDUM OF LEASE <input type="checkbox"/>	MINERAL TAKEOFF <input checked="" type="checkbox"/>
EXTENSION <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>	LEASE PLAT <input type="checkbox"/>	ORIGINAL PATENT <input type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	RECEIPT OF PAYMENT <input type="checkbox"/>
BOOK: 132	PAGE: 355	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: May 6, 2009	EFFECTIVE DATE: January 30, 2008	EXPIRATION DATE: January 30, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.25000000	GROSS ACRES: 310.5500	NET ACRES: 77.6375	ROYALTY RATE: 0.22500000
CO. GWI 1.00000000		CO NET ACRES: 77.6375	SHUT-IN ROYALTY AMOUNT: \$388.19
BONUS PER ACRE: \$250.00	BONUS AMOUNT: \$19,409.38	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: GEORGE O'BARR SMITH	0.25000000
CONTINUED	
ADDRESS: 139 REGENT ROW	
CITY ST ZIP: WILLOW PARK, TX 76087	
TIN:	
PHONE: H: (817) 441-2438 C: (817) 304-7438	
EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.25000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*No executive rights.

MAILED

7/19/09



WESTERN NATION** BANK
MIDLAND,

006095

88-737
1163

6/5/2009

PAY TO THE ORDER OF George O. Smith

\$**19,409.38

Nineteen Thousand Four Hundred Nine and 38/100*****

DOLLARS

George O. Smith
139 Regent Row
Willow Park, TX 76087

Shelley Taylor
AUTHORIZED SIGNATURE



MEMO MEI200913 R

⑈006095⑈

VERITAS 321 ENERGY PARTNERS, LP

006095

George O. Smith			6/5/2009			
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
6/5/2009	Bill	Bonus Consideration	19,409.38	19,409.38		19,409.38
				Check Amount		19,409.38

(WNB) Veritas 321 EP MEI200913 R

19,409.38



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

FINAL

DATE:	June 19, 2009	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

AMY LOUISE O'BARR SMITH

ASSIGNEE/LESSEE/GRANTEE:

MARINER ENERGY, INC.

PROPERTY DESCRIPTION:

E/2 OF SECTION 193, BLOCK 29, W&NW RR CO. SY.

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	DOCUMENTS SUBMITTED:	
<input type="checkbox"/> RENEWAL	<input type="checkbox"/> STATE	<input checked="" type="checkbox"/> ORIGINAL RATIFICATION	<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 checked="" type="checkbox"/> FEE	<input checked="" type="checkbox"/> LEASE PLAT	<input type="checkbox"/> 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: 132	PAGE: 341	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: May 6, 2009	EFFECTIVE DATE: January 30, 2008	EXPIRATION DATE: January 30, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.2500000	GROSS ACRES: 310.5500	NET ACRES: 77.6375	ROYALTY RATE: 0.2250000
CO. GWI: 1.0000000		CO NET ACRES: 77.6375	SHUT-IN ROYALTY AMOUNT: \$388.19
BONUS PER ACRE: \$250.00	BONUS AMOUNT: \$19,409.38	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: AMY LOUISE O'BARR SMITH	0.25000000
CONTINUED	
ADDRESS: 5909 CRAIG STREET	
CITY ST ZIP: FORT WORTH, TX 76112	
TIN:	
PHONE:	
EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.25000000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*No executive rights.



WESTERN NATIONAL BANK
MIDLAND, TX

006088

88-737
1163

6/5/2009

PAY TO THE ORDER OF Amy Louise O'Barr Smith

\$**19,409.38

Nineteen Thousand Four Hundred Nine and 38/100***** DOLLARS

Amy Louise O'Barr Smith
5909 Craig St.
Ft. Worth, TX 76112

Shelley Ayers
AUTHORIZED SIGNATURE

MEMO MEI200913 R

⑈006088⑈

VERITAS 321 ENERGY PARTNERS, LP

006088

		Amy Louise O'Barr Smith		6/5/2009		
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
6/5/2009	Bill	Bonus Consideration	19,409.38	19,409.38		19,409.38
				Check Amount		19,409.38

(WNB) Veritas 321 EP MEI200913 R

19,409.38

5.

File No. MF 11262
Case Report
Date Filed: 1/5/11
Jerry E. Patterson, Commissioner
By [Signature]



3580

OIL AND GAS LEASE

This Agreement entered into this 30th day of January, 2008, between JAMES LYNN GLASS and HELEN S GLASS, Husband and wife (Lessor), whose address is, 801 Overton Rd. Big Spring, TX. 79720 and Mariner Energy Inc. (Lessee), whose address is 2000 W. Sam Houston Parkway South, Ste. 2000 Houston, TX. 77402.

1. Lessor in consideration of money paid, the receipt of which is acknowledged, and of the covenants and agreements of this lease, grants, leases and lets to Lessee, for the sole and only purpose of prospecting, drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil, and building necessary structures to produce, save, store, treat and transport oil and gas products, the following lands situated in Glasscock County, Texas, to-wit:

[See Exhibit "A" for land description]

The herein above described land shall be considered for all purposes of this lease as containing exactly 1,920 acres, whether there be more or less.

2. Subject to its other provisions, this lease shall be for a term of three (3) years, (the "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the land under the provisions of this lease and the royalties are paid as hereinafter provided.

3. When production of oil and/or gas is secured, Lessee agrees to pay to Lessor royalties as follows:

(a) As a royalty on oil, which is defined as all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate and other liquid hydrocarbons recovered from oil or gas runs through a separator or other equipment located on the land, **twenty two and one half percent (22.5%)** of the gross proceeds realized by Lessee from the sale of such oil at the point of sale.

(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 the land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value (calculated without deductions as described in paragraph 3(d) below) at the point of sale of **twenty two and one half percent (22.5%)** of the gas so sold or used. Lessee agrees that before any gas produced is sold or used off the 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. Lessee's obligation to run gas through a separator shall only be required if in Lessee's judgment it is economically feasible to do so.

(c) Anything in subparagraphs (a) and (b) above 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. If Lessor elects to take its royalty share in kind and separately dispose of the same, such production is to be delivered into facilities prepared by the Lessor at its cost, risk and expense. 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 that gas.

(d) Anything in subparagraphs (a), (b) and (c) above the contrary notwithstanding, 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, transporting and otherwise making the oil, gas and other products produced from the land ready for sale or use. In the event that market value under this lease can only be determined after making the deductions described in this paragraph, then the value of the deductions shall be added to the market value for the purpose of calculating royalties under this lease.

(e) Lessor shall be entitled to **twenty two and one half percent (22.5%)** of any take or pay settlement or other settlement or of any incentive payment or other payment received by Lessee for the sale or production of oil or gas from the leased premises.

(f) Lessee covenants and agrees that Lessee shall be under the duty to exercise the utmost good faith in the disposition, sale and accounting for Lessor's royalty.

(g) Any other provision herein contained to the contrary notwithstanding, the payment of royalties is a condition of this lease and 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 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 ninety (90) days after the last day of each month during which gas is produced.

(h) *The market value of all gas shall be determined at the point of sale and by reference to the gross heating value (measured in British Thermal Units) and quality of the gas. The market value used in the calculation of all royalty under this lease shall never be less than the total proceeds received by Lessee in connection with the sale, use or other disposition of the oil or gas produced or sold from the leased premises. If Lessee receives from a purchaser of oil or gas any reimbursement for all or any part of severance or production taxes, the proportionate part of the reimbursement shall be added to the total proceeds received by Lessee for purposes of this lease. If Lessee receives any reimbursement for any expenses of production, gathering, dehydration, separation, compression, transportation, treatment, processing, storage or marketing, then the proportionate part of any such reimbursement shall be added to the total proceeds received by Lessee for purposes of this subparagraph.*

4. 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 or reworking operations reasonably calculated to obtain or restore production on the land without an interruption of more than sixty (60) consecutive days, and, if such operations result in the production of oil or gas or other substances covered by this lease as long thereafter, subject to the other provisions of this lease, as there is production in paying quantities. Drilling operations as defined herein shall mean the actual spudding of a well and drilling said well with due diligence to a depth sufficient to adequately test the objective formation proposed for said well.

5. Lessee shall have free use of oil and gas from the land for all operations authorized by this lease and the royalties shall be computed after deducting any so used.

6. The rights of either party may be assigned in whole or in part and the provisions of this lease 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 recorded copies thereof, constituting his chain of title from the original Lessor.

7. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant of this lease due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washout;

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 sixty (60) 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.

8. If Lessors owns an interest in the oil and gas in and under the land less than the entire fee simple estate, then the rentals and royalties provided for in this lease shall be reduced proportionately.

9. Lessee shall install and maintain all equipment and conduct all operations in an environmentally sound manner, in accordance with all applicable regulations of the Railroad Commission of Texas, the Texas Water Commission, and any other governmental authorities. Lessee shall not use, store or dispose of any hazardous materials on the land, except to the extent such substances are contemporaneously required for actual oil or gas operations on the land and any such substances shall be used, stored or disposed of in a safe manner, in compliance with all applicable governmental regulations. Lessee shall insure that all contractors comply with the terms of this paragraph. In the event Lessee is notified of any environmentally harmful or dangerous conditions on the land resulting from Lessee's operations, Lessee shall promptly take all actions required to clean-up and correct such dangerous or harmful conditions, in accordance with applicable law and regulations and sound engineering practices. Lessor shall have no responsibility to inspect or oversee Lessee's operations or to identify or correct any potentially harmful, dangerous or damaging conditions, and Lessor shall have no right to control Lessee's contractors. Neither Lessee nor any contractors shall have any right of contribution or indemnity from Lessor for any matters relating to Lessee's operations on the land or conditions on the land, regardless of whether such matters arise from Lessor's negligence.

10. Lessee agrees to indemnify, hold harmless and defend Lessor from all claims, demands, expenses, and causes of action arising out of or in connection with Lessee's operations on the land. Lessee's obligations hereunder being without limit, without regard to the cause or causes thereof, and without regard to the date of occurrence of the cause or causes thereof, and to include but not be limited to claims, demands, expenses and causes of action predicated upon the sole or concurrent negligence of Lessor.

11. 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 below the base of the deepest formation from which such production is being obtained on such proration unit unless Lessee commences the actual drilling of an additional well within one hundred twenty (120) days of the last 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 as a well capable of producing oil and/or gas in commercial quantities or as a dry hole, and thereafter Lessee shall continuously develop the above described land with no more than one hundred twenty (120) days elapsing between the date one well is completed as a well capable of producing oil and/or gas in commercial quantities or as a dry hole 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, 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 below the base of the deepest formation from which such production is being obtained on such proration unit. At the end of the primary term or the date that this lease shall expire as to any part hereof, whichever is later, Lessee shall select and designate a producing unit around each producing oil and gas well. Such designated units are to be as nearly as practical in the form of a square with the wellbore being as close to the center as possible. The acres in each unit are to be limited to or expanded to conform with the maximum area provided for or established directly or indirectly, in the applicable rules and regulations of the regulatory authority having jurisdiction of the premises with reference to the spacing of wells or the size of producing wells. A well shall be deemed to have been completed on the first to occur of (i) the date the completion or plugging report required by the Railroad Commission of the State of Texas or other governmental authority having jurisdiction is filed, or, (ii) thirty (30) days after the drilling rig that drilled the relevant well is released from the well locations.

12. 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 otherwise being maintained in force and effect under the other terms and provisions hereof, Lessee may pay as royalty a sum of money equal to Five Dollars (\$5.00) per net mineral acre then subject to this lease, such payment shall be made directly to Lessor at Lessor's address 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. In no event shall shut-in well payments maintain this lease in force for any one period of more than two (2) consecutive years without the prior written consent of Lessor.

13. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit, provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the

total gross acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" means any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests. Whether a unit is entirely within the leased premises or whether a portion of the land herein is pooled or unitized with other land so as to form a pooled unit or units, operations on, or production from such unit or units will maintain this lease in force only as to the land included in such unit or units. This lease, as to the land not included in such unit or units, may be maintained in force and effect by drilling or reworking operations on such acreage or production therefrom, in accordance with the terms and provisions hereof. In the event Lessee drills a well and elects to pool or unitize a portion of the leased premises, it is understood and agreed that at least one-half (1/2) of the pooled unit shall be comprised of acreage covered by this lease.

14. Lessee shall adequately protect the oil and gas under the land from drainage from adjacent lands, and shall drill as many wells as a prudent operator would drill under similar circumstances 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 land.

15. Lessee in conducting Lessee's operations shall comply with all laws, rules, and regulations of all governmental authorities having jurisdiction of the land and of Lessee's operations.

16. Lessee shall furnish Lessor with all well, drilling, completion and production data, reports, title opinions, logs and information when specifically requested by Lessor. Lessor agrees to maintain the confidentiality of such information during the period that this lease remains in effect or until such time as the information provided herein becomes a matter of public record.

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

SEE ADDENDUM ATTACHED.

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

Lessor:

James Lynn Glass
JAMES LYNN GLASS

Helen S. Glass
HELEN S. GLASS

Lessee:

MARINER ENERGY, INC.

By:

Judd A. Hansen
Judd A. Hansen
Sr. VP of Shelf and Oshore

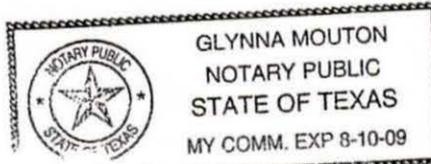
MR
TMS

THE STATE OF TEXAS §
COUNTY OF Howard §

This instrument was acknowledged before me this 4th day of Feb, 2008, by James Lynn Glass & Helen S. Glass

Glynn Mouton
Notary Public, State of Texas

~~THE STATE OF TEXAS §
COUNTY OF Harris §~~



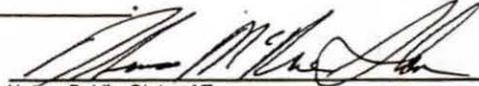
~~This instrument was acknowledged before me this _____ day of _____, 2008, by _____ as _____ of _____ on behalf of _____~~

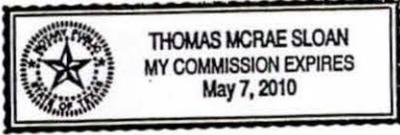
~~Notary Public, State of Texas~~

THE STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me this 13th day of August, 2008,
by Judd A. Hansen, Sr. VP. of Shelf & Onshore of Mariner Energy Inc., a Delaware Corporation, on behalf of said Corporation


Notary Public, State of Texas



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•••••
•••••
•••••

6.

File No. MF112162

Ownership Report

Date Filed: 11/5/11

Jerry E. Patterson, Commissioner

By: [Signature]

1. 2. 3.

VERITAS 321 ENERGY PARTNERS, LP

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

OWNERSHIP REPORT

PROSPECT:	Deadwood	PREPARED BY:	Ashley Scott Updated by Amanda Torres, 2/11/11
COUNTY OF:	Glasscock	RECORD DATE:	February 7, 2008
STATE OF:	Texas	REPORT DATE:	February 25, 2008
		INDEX DATE:	February 25, 2008
		Mineral Ownership Report	X
		Surface Ownership Report	

DESCRIPTION: *The East half (E/2) of Section 193, Block 29, W&NW Railroad Company Survey., containing 320 acres, more or less.*

SURFACE OWNER(S):	Lynn Glass 801 Overton Rd. Big Spring, TX 79720 (432) 398-5565	187 acres
	Floyd Smith 17900 US Hwy 87 Big Spring, TX 79720 (432) 398-5246	20 acres
	Kenny Branham 18150 Hwy 87 South Big Spring, TX 79720 (432) 398-5414	110.16 acres
PHONE NO.:		

UPDATE DETAILS:

- Updated by Bobby Whitehead-2/25/2008-Updated ownership as to the Right of Way tract owned by the state.

START OF REPORT

Mineral Ownership

DESCRIPTION: The East half (E/2) of Section 193, Block 29, W&NW Sy., Save and Except a 9.45 acre Right of Way more fully described in Vol. 45 Pg. 72 of the Glasscock County Records, consisting of 310.55 acres, more or less, as to all depths.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
James Lynn Glass and Helen F. Glass 801 Overton Rd. Big Spring, TX 79720 Lynn's SS# [REDACTED] Helen's SS# [REDACTED] (432) 398-5565 *Owns 100% Executive leasing rights; entitled to 1/2 bonus money	1/2	155.275	Leased To Apache Corporation, Successor Leasehold Owner to Mariner Energy, Inc. Date of OGL: 1/30/2008 Lessor: James Lynn Glass Lessee: Mariner Energy, Inc. Term: 3 years Royalty: 22.50% Vol./Pg.: OPR 120/720 Lands: 1,920 acres, more or less <u>Block 30, W&NW Ry. Co. Sy.</u> Section 27: E/2 Section 28: All <u>Block 29, W&NW Ry. Co. Sy.</u> Section 193: E/2 Section 224: All
George O. Smith, ssp P.O. Box 191 Big Spring, TX 79721 (432) 398-5309 *Does not own Executive Leasing Rights subject to James Lynn Glass; entitled to 1/4 of bonus money	1/4	77.6375	Leased To Apache Corporation, Successor Leasehold Owner to Mariner Energy, Inc. Date of OGL: 1/30/2008 Lessor: James Lynn Glass Lessee: Mariner Energy, Inc. Term: 3 years Royalty: 22.50% Vol./Pg.: OPR 120/720 Lands: 1,920 acres, more or less <u>Block 30, W&NW Ry. Co. Sy.</u> Section 27: E/2 Section 28: All <u>Block 29, W&NW Ry. Co. Sy.</u> Section 193: E/2 Section 224: All
Amy O'Barr Smith, ssp 9102 Kay Rd. Big Spring, TX 79720 *Does not own Executive Leasing Rights subject to James Lynn Glass; entitled to 1/4 of bonus money	1/4	77.6375	Leased To Apache Corporation, Successor Leasehold Owner to Mariner Energy, Inc. Date of OGL: 1/30/2008 Lessor: James Lynn Glass Lessee: Mariner Energy, Inc. Term: 3 years Royalty: 22.50% Vol./Pg.: OPR 120/720 Lands: 1,920 acres, more or less <u>Block 30, W&NW Ry. Co. Sy.</u> Section 27: E/2 Section 28: All <u>Block 29, W&NW Ry. Co. Sy.</u> Section 193: E/2 Section 224: All
Totals For Mineral Ownership	100%	310.55	

Notes:

1. The state acquired 9.45 acres out of the East 320 acres. See Deed 45/72 for metes and bounds.
2. James Lynn Glass is the owner of 100% executive leasing rights in and to this tract. James received these executive rights in deeds 315/544. He does not have the right to execute Oil and Gas Leases, Ratifications, or Amendments containing pooling, communitizing, or unitization provisions and agreements, without the express consent and joinder of Amy Juneck and George O. Smith.

DESCRIPTION: 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.

Name Of Mineral Owner	Interest	Net Acres	Leasehold & Exp Dates
State of Texas acting through the State Highway Commission	8/8	9.45	Open Never Leased
Totals For Mineral Ownership	100%	9.45	

Notes: The Right of Way deed for the highway in this section was poorly worded. There was some question whether or not the minerals were included or not in the deed. Further examination was done on the deed by Oil & Gas Attorney, Mike Atnipp. He concluded that the minerals were not specifically reserved by the grantor; therefore the state now owns the mineral rights under the highway. A copy of the ROW deed and correspondence with Mr. Atnipp can be found in the physical file.

File No. 112162

Ownership Report

Date Filed: 6/6/11

Jerry E. Patterson, Commissioner

By GAT



February 11, 2011

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

RE: Oil, Gas and Mineral Lease

A 9.45 acre tract in the East half (E/2) of Section 193, Block 29, W&NW RR Co. Sy., more fully described in Vol. 45, Pg. 72, dated March 26, 1936, by and between George O'Barr, a single man, (Grantor), and the State of Texas (Grantee), of the Glasscock County Records.

Glasscock County, Texas

Dear Mr. Martin,

Following is the information requested for the State of Texas Right of Way as described above. Please consider this 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.

We have also provided Lease Purchase Reports and copies of payments made to each adjoining mineral owner to document the per acre bonus that was paid. In addition, we are resubmitting a plat for this tract which shows the State owned Highway Right of Ways as well as a take-off reflecting adjacent property ownership. (Please note that the scale for the plat is 1" = 4,000 ft.).

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

Best Regards,

A handwritten signature in blue ink, appearing to read "Andy Torres". The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Andy Torres
Landman
Ext. 121
andytorres@veritas321.com

7.

File No. MF112162

Letter

Date Filed: 7/1/11

Jerry E. Patterson, Commissioner

By [Signature]



February 10, 2011

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

RE: Oil, Gas and Mineral Lease
Glasscock County, Texas

Dear Mr. Martin,

As requested per your email response dated January 29, 2011 (copy enclosed), we are providing additional documentation to be added to the Right of Way packet we submitted in December 2010.

Due to the confusion regarding the Exhibit "A" that was previously submitted with the Right of Way lease packet currently in your possession, we ask that you disregard Exhibit "A" completely. Instead, please refer to the cover letters that are attached to each tract of land that we are attempting to lease from the State of Texas.

We are including a check for \$200.00 to complete the application fee of \$300.00. As mentioned in your email, the \$100.00 previously paid by us will be credited towards one of the leases.

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

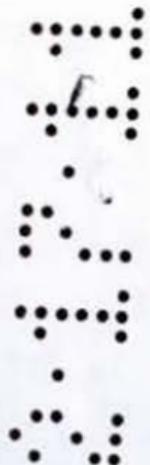
VERITAS 321 ENERGY PARTNERS, LP

009200

Commissioner of the TX General Land Office

2/16/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
2/16/2011	Bill		200.00	200.00		200.00
				Check Amount		200.00



11706096

121

(WNB) Veritas 321 EP ROW Application Fee

200.00

8.

File No. MF 112462

Letter Files

Date Filed: 2/17/91

Jerry E. Patterson, Commissioner

By [Signature]

3.24.91

Amanda Torres

Subject: FW: Glasscock County Highway Right-of-Way lease package....

-----Original Message-----

From: George Martin [mailto:George.Martin@GLO.STATE.TX.US]

Sent: Wednesday, January 19, 2011 3:19 PM

To: matt@veritas321.com

Subject: Glasscock County Highway Right-of-Way lease package....

Matt,

After reviewing your ROW lease package with Drew Reid, we need you to make the following changes in order for us to proceed with your request:

(1) You need to apply for three individual leases - Lease 1 should cover those tracts in Block 29, Lease 2 should cover those tracts in Block 33, and Lease 3 should cover those tracts in Block 34, (we'll credit the \$100 you've already paid - we'll need an additional \$200 in application money),

(2) We need complete legal descriptions for these 3 leases (as you want them to appear in each lease), as well as the total acreage for each lease,

(3) We need better plats of the lease tracts involved - with road names, scale of map, adjacent property ownership, etc., and,

(4) We need to know what was paid per-acre for each adjoining lease in order to come up with the bonus amount (the highest paid).....

Get this stuff to me as quick as you can, so we can get moving on this.....I can be reached at (512) 475-1512.

Thanks a bunch,

George

File No. MF112162

Email

Date Filed: 2/17/11

Jerry E. Patterson, Commissioner

By [Signature]

57547

VERITAS 321 ENERGY PARTNERS, LP

009613

Commissioner of the TX General Land Office
2010 - Receipts Payable-Apache APA201115L

5/5/2011

2,362.50

11710472



(WNB) Veritas 321 EP APA201115L

✓ 121
2,362.50



VERITAS 321
ENERGY PARTNERS, LP

May 12, 2011

MF11216Z

Commissioner of the Texas General Land Office
C/O Mr. George Martin
1700 N. Congress Ave.
Austin, TX 78701-1495

RE: Bonus Consideration for Oil, Gas & Mineral Lease

9.45 ACRES OF LAND, MORE OR LESS, SITUATED IN THE EAST HALF (E/2) OF SECTION 192, BLOCK 29, W&NW
RR Co. SURVEY

GLASSCOCK COUNTY, TEXAS

Dear Mr. Martin:

In receipt of your executed Oil and Gas Lease covering the captioned property, enclosed is **check number 009613** made payable to you in the amount of **\$2,362.50** for your share of the bonus consideration plus the 1.5% processing fee. (*9.4500 net acres x \$250.00 flat fee per net acre + \$35.44 processing fee*).

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 _____, 2011.

George Martin



VERITAS 321
ENERGY PARTNERS, LP

May 12, 2011

RETURN THIS COPY

Commissioner of the Texas General Land Office
C/O Mr. George Martin
1700 N. Congress Ave.
Austin, TX 78701-1495

RE: Bonus Consideration for Oil, Gas & Mineral Lease

9.45 ACRES OF LAND, MORE OR LESS, SITUATED IN THE EAST HALF (E/2) OF SECTION 192, BLOCK 29, W&NW
RR Co. SURVEY

GLASSCOCK COUNTY, TEXAS

Dear Mr. Martin:

In receipt of your executed Oil and Gas Lease covering the captioned property, enclosed is **check number 009613** made payable to you in the amount of **\$2,362.50** for your share of the bonus consideration plus the 1.5% processing fee. ($9.4500 \text{ net acres} \times \$250.00 \text{ flat fee per net acre} + \$35.44 \text{ processing fee}$).

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 _____, 2011.

George Martin

10.

File No. MF 112162

Jerry E. Patterson

Date Filed: 5/16/11
Jerry E. Patterson, Commissioner

By [Signature]

5/16/11

2011

Sales fee

Commissioner of the TX General Land Office

5/26/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment	
5/25/2011	Bill	APA201115F <i>MF112161</i>	67.80	67.80		67.80	
5/25/2011	Bill	APA201115F <i>MF112162</i>	35.44	35.44		35.44	
5/25/2011	Bill	APA201115F <i>MF112163</i>	16.92	16.92		16.92	
						Check Amount	120.16

121

11711378

(WNB) Veritas 321 EP

X 120.16



COPY

VERITAS 321
ENERGY PARTNERS, LP

June 1, 2011

Commissioner of the TX General Land Office
c/o George Martin
1700 N. Congress Ave.
Stephen F. Austin State Office
Austin, TX 78701-1495

RE: Processing fees for Oil, Gas & Mineral Leases

- 30.135 ACRES OF LAND, MORE OR LESS, SITUATED IN SECTIONS 5 AND 8, BLOCK 33, TOWNSHIP 3 SOUTH, T&P RR Co. SURVEY (LEASE #112161) *767.80*
- 9.45 ACRES OF LAND, MORE OR LESS, SITUATED IN THE EAST HALF (E/2) OF SECTION 192, BLOCK 29, W&NW RR Co. SURVEY (LEASE #112162) *35.44*
- 7.521 ACRES OF LAND, MORE OR LESS, SITUATED IN SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RR Co. SURVEY (LEASE #112163) *16.92*

GLASSCOCK COUNTY, TEXAS

Dear Mr. Martin:

In receipt of your executed Oil and Gas Leases covering the captioned properties, enclosed is **check number 009721** made payable to you in the amount of **\$120.16** to cover the processing fees.

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

Amanda Torres
Lease Analyst
Extension 126

Received this 6th day of June, 2011.

George Martin
George Martin

11.

File No. MF 112162

Filing fee

Date Filed: 6/6/11

Jerry E. Patterson, Commissioner

By [Signature]