

MF112163

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF112163	65-900877		GLASSCOCK

<i>Survey</i>	GLASSCOCK COUNTY ROADS
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Block

Block Name

Township

Section/Tract

<i>Land Part</i>	SH-33
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Part Description

<i>Acres</i>	7.521
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<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
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Leasing:

Analyst:

Maps:

GIS: 26

DocuShare:

<i>Name</i>	APACHE CORP
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<i>Lease Date</i>	4/5/2011
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<i>Primary Term</i>	2 yrs
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<i>Bonus (\$)</i>	\$1,128.15
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<i>Rental (\$)</i>	\$0.00
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<i>Lease Royalty</i>	0.2000
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CONTENTS OF FILE NO. MF- 112163

1. Lease	1/5/11
2. Plat	1/5/11
3. HO memo	1/5/11
4. Deed	1/5/11
5. Ownership Report	1/5/11
6. Lease Report	1/5/11
7. Lease	1/5/11
8. Letter	2/11/11
9. Fax sheet	4/2/11
10. Letter + bonus	5/16/11
11. Filing fee	6/6/11
12. UD + Backslip	4/3/12

scanned PJC 4-16-13

The State of Texas

HROW Lease
Revised 8/06



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 112163)
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 One Hundred Twenty Eight 15/100 (\$ 1,128.15)** 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:

7.521 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 **7.521** 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 **1/5** 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 **1/5** 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 **1/5** 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 **1/5** 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.

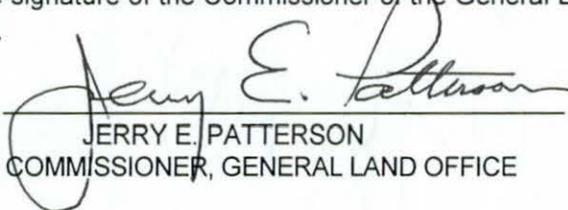
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well 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, State Highway 33.

7.521 acres of land, more or less, situated in Section 44, Block 33, T-2-S, T&P RR Co. Survey. Said lands being described in the following deed filed in the Deeds of Record, Glasscock Co.

Deed John Schafer and wife Ellen Schafer to the State of Texas

Date: 10/17/1945 and recorded in Vol. 56, P. 239 of the Deed Records, Glasscock County, Texas

F&P RR CO
A-119

44

T&P RR CO
A-732

T&P RR CO
A-121

MF112163

T&P RR CO
A-125

T&P RR CO
A-703

Road 4509

MARTIN	HOWARD	
	GLASSCOCK	
UPTON	REAGAN	

Map Showing a Buffer of
St. Hwy 33
7.521 acres
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 6, 2011

1.
File No. MF 112463

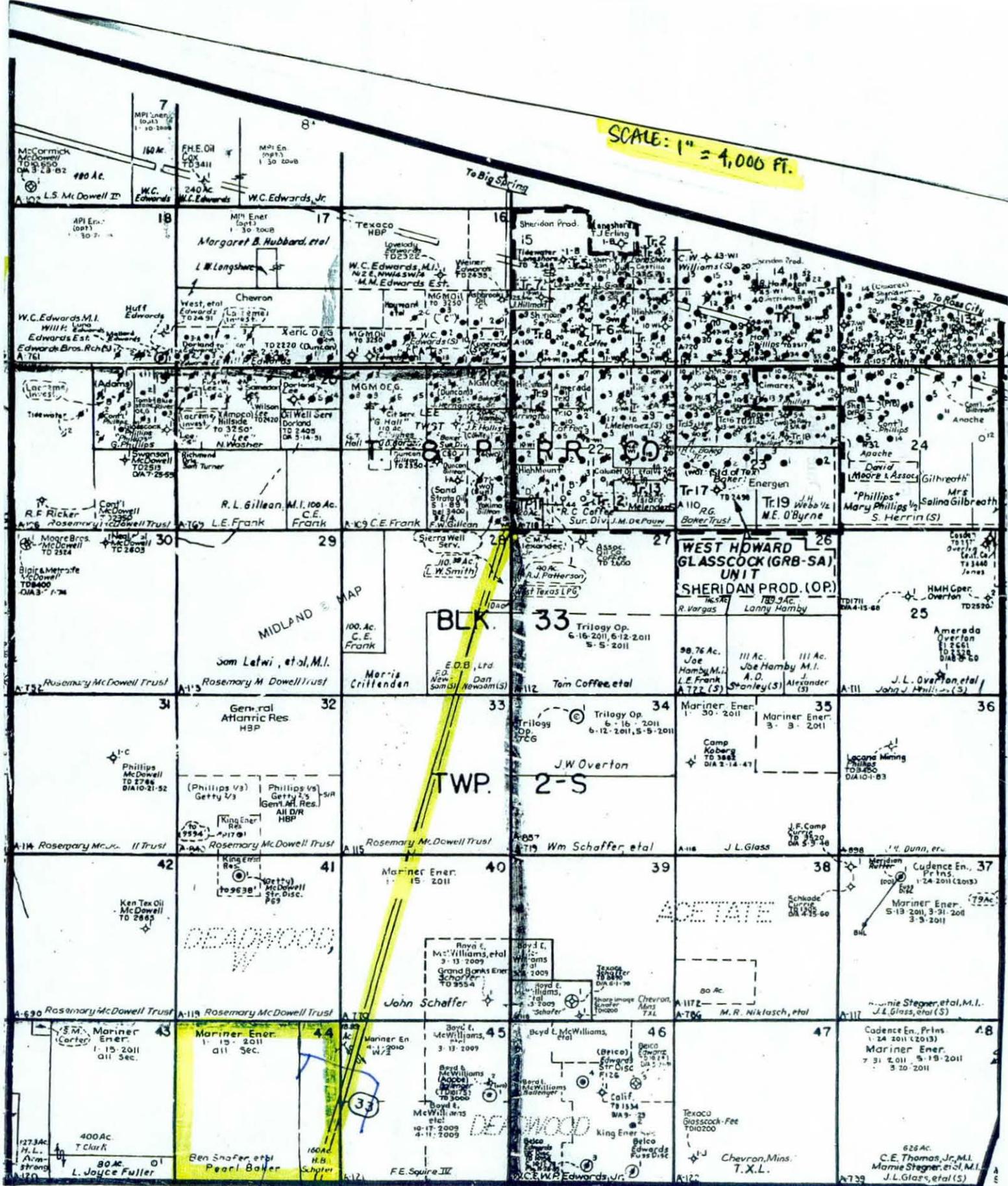
Lease

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]

SCALE: 1" = 4,000 FT.



McCormick
McDowell
TO 10,850
DA 3-23-82
#80 Ac.
L.S. McDowell II
W.C. Edwards
W.C. Edwards, Jr.

M.H. Ener
(opt)
1-30-2008
Margaret B. Hubbard, et al
L.W. Longshore

Texaco
HBP
W.C. Edwards, M.I.
N.Z.E. Williams
M.N. Edwards Est.

Sheridan Prod.
Langshier
J. Erling
Tr. 2

C.W. Williams (S)
Tr. 20
Sheridan Prod.

W.C. Edwards, M.I.
Willie K. Edwards
Edwards Est.
Edwards Bros. Rich (N)

Huff
Edwards
Chevron
West, et al
Edwards (L.S. 3/21/01)

MGM OEG.
MGM OEG.
MGM OEG.
MGM OEG.

Highmount
Amerada
Tr. 10
Tr. 11
Tr. 12

Highmount
Amerada
Tr. 13
Tr. 14
Tr. 15

Highmount
Amerada
Tr. 16
Tr. 17
Tr. 18

Timewater
Adams
Phillips
G. Phillips

R.F. Ricker
Rosemary McDowell Trust

R.L. Gillilan, M.I. 100 Ac.
C.E. Frank

Morris
Criffenden

Trilogy Op.
6-16-2011, 6-12-2011
5-5-2011

Trilogy Op.
6-16-2011, 6-12-2011
5-5-2011

Trilogy Op.
6-16-2011, 6-12-2011
5-5-2011

Moore Bros.
McDowell
TO 2524

Som Latwi, et al, M.I.
Rosemary M. McDowell Trust

Morris
Criffenden

Trilogy Op.
6-16-2011, 6-12-2011
5-5-2011

Trilogy Op.
6-16-2011, 6-12-2011
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5-5-2011

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Rosemary M. McDowell Trust

Morris
Criffenden

Trilogy Op.
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5-5-2011

Trilogy Op.
6-16-2011, 6-12-2011
5-5-2011

Trilogy Op.
6-16-2011, 6-12-2011
5-5-2011

File No. MF 112163

[Signature]

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 112163

LESSEE Apache Corporation

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

BONUS PER ACRE \$150⁰⁰ (Check for affidavit of consideration paid.)

TOTAL CONSIDERATION \$1,128¹⁵ PAID? Yes No WHEN? _____

ROYALTY 1/5 TERM 2 years

DATE OF LEASE 4/5/11

SHUT IN ROYALTY PER ACRE \$5⁰⁰ TOTAL ACRES 7.521

COUNTY Glasscock

ROAD NAME SH-33

FULL DESCRIPTION [Abstract, Block, Township, Section)
Section 44, Block 33, T-2S, T&P Ry Co.

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

File No. MF 112163

Sto Memo

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]

reproduction
copy of
2008 letter

copy of letter
sent to [unclear] 1/5/11

copy of
letter
sent to [unclear] 1/5/11

copy of
letter
sent to [unclear] 1/5/11

copy of letter
sent to [unclear] 1/5/11

copy of letter
sent to [unclear] 1/5/11

gravel, caliche or any other materials or minerals upon, in and under said land, except oil, gas and sulphur, for the construction and maintenance of the Highway System of Texas. And it is further agreed that _____ in consideration of the benefits above set out, will remove from the property above described such fences, buildings and other obstructions as may be found upon said premises.

TO HAVE AND TO HOLD unto the said State of Texas as aforesaid for the purposes aforesaid the premises above described.

Witness our hands, this the 2nd day of November, A.D. 1945.

ATTEST: Chicken Ranch, Incorporated
Tracy T. Smith (TRACY T. SMITH) by J.D. Biles (J.D. BILES)
(CORP.) Sec. & Treasurer President
(SEAL)

THE STATE OF NEW JERSEY }
COUNTY OF GLOUCESTER }

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared J. D. Biles, President of the Chicken Ranch, Inc. known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Chicken Ranch, Inc. and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 2nd day of November A.D. 1945.

(SEAL) Helen E. Saint
Notary Public Commission Expires May 29, 1949. Notary Public in and for Gloucester Co. New Jersey.

Filed for record December 3, 1945 at 11:00 o'clock A.M.

Recorded December 4, 1945 at 11:30 o'clock A.M.

Helen E. Saint
County Clerk, Glasscock County, Texas.

(FILE # 7624)

RIGHT-OF-WAY DEED

STATE OF TEXAS }
COUNTY OF GLASSCOCK }

KNOW ALL MEN BY THESE PRESENTS:

THAT we, John Schafer and wife Ellen Schafer of the County of Glasscock, State of Texas, for an in consideration of the sum of Five Hundred Fifty Three and 43/100 DOLLARS, to _____ 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 40, Abstract 770, Block 33, Township 2-South, T.& P. Ry. Co. Surveys, conveyed by the State of Texas to Christ Schafer by instrument dated the 18th day of November, 1937, and recorded in Volume 1, page 507, of the Patent Records of Glasscock County, Texas, and also being part of Survey 44, Abstract 732, Block 33, Township 2-South, T.&P. Ry. Co. Surveys. Conveyed by the State of Texas to Christ Schafer by instrument dated the 18th day of November, 1937, and recorded in Volume 1, page 506, Patent Records of Glasscock County, Texas; ~~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) _____, lease(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, 4269.5 feet long and 120 feet wide, 60 feet each side of said center line from station 199 / 36 to station 242 / 04.5

Said center line being described as follows, to wit:

Beginning at a point on the north boundary line of said Survey 40, said point of beginning being station 199 / 36 and being N. 75 Deg. 19 Min. E. 2244 feet from the northwest corner of said Survey 40.

Thence S. 1 Deg. 09 Min. W., 4268.5 feet to a point in the northwest right-of-way line of the present Garden City-Big Spring road. Said ending point being at station 242/04.5 and being N. 1 Deg. 09 Min. E., 201.5 feet from the beginning center line of tract no. 2. The right-of-way for above mentioned road having been deeded to Glasscock County by Christ Schafer by deed dated the 14th day of June, 1937, and recorded in Volume 47, page 54, of the Deed Records of Glasscock County, Texas.

Said strip of land containing 11.759 acres.

Tract No. 2.

Being a strip of land along and adjacent to the center line of State Highway no. 207, 1037 feet long and 120 feet wide, 60 feet each side of said center line from station 244/06 to station 254/43.

Said center line being described as follows, to wit:

Beginning at a point on the southeast right-of-way line of said Garden City-Big Spring road at station 244 / 06, said beginning point being S. 1 Deg. 09 Min. W., 201.5 feet from ending of center line for tract no. 1.

Thence S. 1 Deg. 09 Min. W., 1037 feet to a point in the south boundary line of said Survey 40, said point being station 254 / 43 and being N. 75 Deg. 19 Min. E., 735 feet from southwest corner of said Survey 40.

Said strip of land containing 2.657 acres.

Tract No. 3.

Being a strip of land along and adjacent to the center line of State Highway No. 207, 2730 feet long and 120 feet wide, 60 feet each side of the center line from station 281 / 37 to station 308 / 67.

Said center line being described as follows, to wit:

Beginning at a point in the east boundary line of said Survey 44, said point being station 291 / 37 and N. 14 Deg. 41. Min. W., 2627 feet from the southeast corner of said Survey 44.

Thence S. 1 Deg. 09 Min. W., 2730 feet to a point in the south boundary line of said Survey 44, said point being station 308 / 67 and being S. 75 Deg. 19 Min. W., 745 feet from the southeast corner of said Survey 44.

Said strip of land containing 7.521 acres.

Tract No.	Acres
1	11.759
2	2.657
3	7.521
Total	22.137

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in any wise belonging, unto the said State of Texas and its assigns.

And we the said John Schafer and wife Ellen Schafer do hereby bind ourselves, our heirs, executors, and administrators, to warrant and forever defend all and singular the said premises, unto the said State of Texas, and its assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

The undersigned grantors herein for the same consideration hereby specially agree that the consideration above recited includes adequate and complete compensation for any and all damages, present or future, that may be done to the remainder of the tract above referred to and in consideration of the premises and the payment to us of the sum of money above acknowledged, we hereby release the State of Texas from any and all damages, if any, present or future, that may be done to the remainder of said tract of land by virtue of the construction and maintenance of the new proposed Highway No. 33 or by virtue of any drainage in connection therewith or by virtue of any operations of any nature in connection with said road and its appurtenances.

Witness our hands this the 17 day of October, A.D. 1945.

John Schafer
Ellen Schafer

THE STATE OF TEXAS }
COUNTY OF GLASSCOCK }

Before me, C. M. Sparkman County Judge, in and for said County and State, on this day personally appeared John Schafer, known to me (or proved to me on the oath of _____, a credible witness) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 17 day of October 1945.

C. M. Sparkman
County Judge, Glasscock County, Texas

(SEAL)
THE STATE OF TEXAS }
COUNTY OF GLASSCOCK }

Before me, C. M. Sparkman, County Judge, in and for said County and State, on this day personally appeared Ellen Schafer, wife of John Schafer, known to me (or proved to me on the oath of _____, a credible witness) to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she the said Ellen Schafer, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 17 day of October 1945.

C. M. Sparkman
County Judge Glasscock County, Texas.

Filed for record December 3, 1945 at 11:00 o'clock A.M.

Recorded December 4, 1945 at 1:15 o'clock P.M.

[Signature]
County Clerk, Glasscock County, Texas.

(FILE # 7625)

CHANNEL EASEMENT

STATE OF TEXAS }
COUNTY OF GLASSCOCK }

KNOW ALL MEN BY THESE PRESENTS:

THAT we, John Schafer and wife Ellen Schafer of Glasscock County, Texas, in consideration of the sum of \$8.50 and other good and valuable consideration in hand paid by the

4.

File No. MF 112163

Deed

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]

VERITAS 321 ENERGY PARTNERS, LP

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

MINERAL OWNERSHIP REPORT

PROSPECT:	DEADWOOD	PREPARED BY:	Will Smith Updated by Amanda Torres, 2/10/11
COUNTY OF:	GLASSCOCK	RECORD DATE:	November 9, 2007
STATE OF:	TEXAS	REPORT DATE:	December 31, 2007
		INDEX DATE:	December 27, 2007
		Mineral Ownership Report	X
		Surface Ownership Report	X

DESCRIPTION:

Section 44, Block 33, Township 2 South, T&P RY Co. Survey, Glasscock County, Texas

SURFACE OWNER(S):	Hugh B. Schafer 2801 Ranch Rd 33 Big Spring, TX 79720	E/154.6 acres
	Marion Carter 451 Hillger Rd. Big Spring, TX 79720	W/480 acres
PHONE NO.:		
TENANT:		

START OF REPORT

DESCRIPTION:

The West 480 acres of Section 44, Block 33, T-2-S, T&P RY. CO. Survey, Glasscock County, Texas

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
Estate of Chris Schafer, deceased Care of Rosie Marie Roberts 2705 Albertson Hobbs, NM 75367-0609	9/40	108	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.
Marion Greer Carter 451 Hillger Rd. Big Spring, TX 79720	1/10 (100% Executive Leasing Rights; everyone entitled to their share of bonus money)	48	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.
Doralee Maude Newell 650 Newell Rd. Big Spring, TX 79720	9/120	36	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008

			<p>Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>
<p>Charlie Joe Schafer 1351 Hillger Rd. Big Spring, TX 79720</p>	<p>9/120</p>	<p>36</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>

<p>Edith Ross, for her life, remainder to the children of Leonard Schafer, deceased 2400 Cimarron, Midland TX 79705</p> <p>Remainderments: Linda Maude Worley Darrell Ben Schafer Mickie Rene Nichols Ronald Link Schafer Steven Edward Schafer</p>	<p>9/240</p> <p>9/1200 9/1200 9/1200 9/1200 9/1200</p>	<p>18</p> <p>3.6 3.6 3.6 3.6 3.6</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>
<p>Marck Schafer 3550 Ranch Road 33 Garden City, TX 79739</p>	<p>9/160</p>	<p>27</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>

<p>Melissa Schafer Jordon 3003 Encanto Drive Rowell, NM 88201</p>	<p>9/160</p>	<p>27</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>
<p>Hugh Bryan Schafer 2801 Ranch Rd. 33 Big Spring, TX 79720</p>	<p>9/160</p>	<p>27</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>
<p>Jerry John Schafer (accurint) 2680 FM 3058 Caldwell, TX 77836-4925</p>	<p>9/160</p>	<p>27</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs.</p>

			Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.
William Ralph Schafer, Jr. (accurint) 2401 Highway 33 Garden City, TX 79739	9/160	27	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.
Suanne Schafer 4102 Buffalo Bayou Road San Antonio, TX 78251	9/320	13.5	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.
Phillip Brant Schafer 2246 FM 969 Elgin, TX 78621	9/320	13.5	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803

			<p>Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>
<p>Lillian Joyce Fuller 1500 Runnels St. Big Spring, TX 79720</p>	9/160	27	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas.</p>
<p>Walker Farms 7705 NCR 25 Big Spring, TX 79720</p>	9/160	27	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Last OGL; Date: 01/15/2008 Vol./Pg.: 117/803 Lessor: Marion Greer Carter aka M.G. Carter, dealing in his sole and separate property Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: The West 480 acres of Section 44, Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas..</p>
TOTALS FOR MINERAL OWNERSHIP	8/8	480	

DESCRIPTION:

136.180 acres out of the East 154.6 acres of Section 44, Block 33, T-2-S, T&P RY. Co. Survey, Glasscock County, Texas.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
Hugh Bryan Schafer 2801 Rand Rd. 33 Big Spring, TX 79720	8/8	1.000	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Date: 01/15/2008 Vol./Pg.: 118/11 Lessor: Hugh Brian Schafer et ux Norvella Ann Schafer Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33; N/2 and SW/4 of Section 40; all in Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas containing 634.6 acres, more or less.
	8/8	1.000	

DESCRIPTION:

A triangular tract of land, lying South and East of State Highway No. 33, out of the Southeast corner of Section 44, bounded on the South by the South line of Section 44, on the East by the East line of Section 44, and on the Northwest by the East boundary line of State Highway No. 33.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
Hugh Bryan Schafer 2801 Rand Rd. 33 Big Spring, TX 79720	1/4	.250	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Date: 01/15/2008 Vol./Pg.: 118/11 Lessor: Hugh Brian Schafer et ux Norvella Ann Schafer Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33; N/2 and SW/4 of Section 40; all in Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas containing 634.6 acres, more or less.
William R. Schafer, Jr. (accurent) 2401 Highway 33 Garden City, TX 79739	1/4	.250	Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Date: 01/15/2008 Vol./Pg.: 118/11 Lessor: Hugh Brian Schafer et ux Norvella Ann Schafer Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33; N/2 and SW/4 of Section 40; all in Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas containing 634.6 acres, more or less.

<p>Jerry John Schafer (accurint) 2680 FM 3058 Caldwell, TX 77836-4925</p>	<p>1/4</p>	<p>.250</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Date: 01/15/2008 Vol./Pg.: 118/11 Lessor: Hugh Brian Schafer et ux Norvella Ann Schafer Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33; N/2 and SW/4 of Section 40; all in Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas containing 634.6 acres, more or less.</p>
<p>Melissa Schafer Jordan</p>	<p>1/4</p>	<p>.250</p>	<p>Leased to Apache Corporation, Successor Leasehold Owner to Mariner Energy Inc., Successor Leasehold Owner to Touchwood Resources Date: 01/15/2008 Vol./Pg.: 118/11 Lessor: Hugh Brian Schafer et ux Norvella Ann Schafer Lessee: Apache Corporation Term: 3 yrs. Royalty: 1/5 Lands: East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33; N/2 and SW/4 of Section 40; all in Block 33, T-2-S, T&P Ry. Co. Survey, Glasscock County, Texas containing 634.6 acres, more or less.</p>
<p>TOTALS FOR MINERAL OWNERSHIP</p>	<p>8/8</p>	<p>1.000</p>	

DESCRIPTION:

That portion of three tracts of land described by Metes and Bounds at 56 DR 239: being 11.759 acres; 2.857 acres; and 7.521 acres, that is found in Section 44, Block 33, T-2-S, T&P RY. CO. Survey, Glasscock County, Texas.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
State of Texas (Unleased)		All	
TOTALS FOR MINERAL OWNERSHIP			

Title Curative Required: Gene Schafer is assumed deceased. His probate is probably recorded in Kerr Co., TX (his last place of residence). His brother Marck should be able to help with his estate. Chris Schafer is assumed deceased. His nephew Marion Greer Carter should be able to help with his estate.

Addresses Needed: Hugh Brian Schafer is the brother of William Ralph Schafer, Jr., Jerry John Schafer and Melissa Schafer Jordon. He should be able to give you accurate addresses for them. He should also be able to help with the estate of his father William Schafer, Sr.

END OF REPORT

File No. MF 112163

Ownership Report

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

ROSIE MARIE ROBERTS, DEALING IN HER SOLE AND SEPARATE PROPERTY

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

<input type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	DOCUMENTS SUBMITTED:	
<input type="checkbox"/> RENEWAL	<input type="checkbox"/> STATE	<input checked="" type="checkbox"/> ORIGINAL RATIFICATION	<input 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 checked="" type="checkbox"/> MIN. OWN. & EXEC. RIGHTS REPORT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input checked="" type="checkbox"/> COPY OF DRAFT/CHECK	<input type="checkbox"/> COPY OF CHECK RECEIPT
BOOK: 118	PAGE: 258	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST: GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.11250000	GROSS ACRES: 634.60	NET ACRES: 71.3925	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$10,708.88	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: Rosie Marie Roberts, dealing in her sole and separate property	0.11250000
CONTINUED	
ADDRESS: 2705 North Albertson	
ADDRESS:	
CITY ST ZIP: Hobbs, NM 88240	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.11250000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

**Rosie Marie Roberts, dealing in her sole and separate property is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$18,808.88 Ck #21853

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CASHIER'S CHECK COPY

CHECK NUMBER
21853

PAY TO THE ORDER OF:
ROSIE MARIE ROBERTS

dmayo

DATE AMOUNT
Feb 4, 2008 \$ *****18,808.88

Purchaser: TOUCHWOOD RESOURCES LLC/EDWARD C. WAL

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.



Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.

88-2420/1163



FIRST
NATIONAL
BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE
Feb 4, 2008

CHECK NUMBER
21853

\$ *****18,808.88

PAY EIGHTEEN THOUSAND EIGHT HUNDRED EIGHT AND 88/100 DOLLARS*****

*Void if over \$18,808.88

Purchaser TOUCHWOOD RESOURCES LLC/EDWARD C. WALLACE

TO THE ORDER OF
ROSIE MARIE ROBERTS

AUTHORIZED SIGNATURE REQUIRED

Edward C. Wallace
Chief Executive Officer

⑈021853⑈



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			

blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

MARION G. CARTER AKA M.G. CARTER, DEALING IN HIS SOLE AND SEPARATE PROPERTY

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC.

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> FEDERAL	DOCUMENTS SUBMITTED:	
<input checked="" 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 checked="" type="checkbox"/> MIN INT/EXEC RIGHTS SPST
<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 type="checkbox"/> RECEIPT OF CHECK
BOOK: 118	PAGE: 18	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.10	TOTAL GROSS ACRES: 480.0	TOTAL NET ACRES: 48.0	ROYALTY RATE: 1/5
CO. GWI: 1.0	TOTAL COST OF LEASE: *\$7,200.00	NET ACRES REFLECTING THE OGL: 48.0000	SHUT-IN ROYALTY AMOUNT: \$96.00
BONUS PER ACRE: \$150.00	TOTAL BONUS AMOUNT: *\$16,719.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):		INTEREST:	
NAME	Marion G. Carter aka M.G. Carter, dealing in his sole and separate property		0.10000
CONTINUED			
ADDRESS	451 Hillger		
ADDRESS			
CITY ST ZIP	Big Spring, TX 79720-7826		
TIN:			
PHONE, EMAIL:			
NAME			
CONTINUED			
ADDRESS			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE, EMAIL:			
	TOTAL INTEREST:		0.10000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Pg. 3 - Shut-in royalty - \$2.00 per net acre

* Bonus amount is based on the Total Net Acreage and the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

Breakdown for Check #21331:

* \$150.00 x 48.0 net acres = \$7,200.00 (Oil & Gas Lease)

\$150.00 x 63.46 net acres = \$9,519.00 (RATIFICATION)

TOTAL = *\$16,719.00 Ck. # 21331



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

MARION G. CARTER AKA M.G. CARTER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW <input 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 type="checkbox"/>
RATIFICATION <input checked="" 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 checked="" type="checkbox"/>	MIN. OWN. & EXEC. RIGHTS REPORT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	COPY OF CHECK RECEIPT <input type="checkbox"/>
BOOK: 117	PAGE: 803	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.05625000	GROSS ACRES: 634.60	NET ACRES: 63.4600	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$9,519.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: Marion G. Carter aka M.G. Carter, dealing in his sole and separate property	0.05625000
CONTINUED	
ADDRESS: 451 Hillger	
ADDRESS:	
CITY ST ZIP: Big Spring, TX 79720-7826	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:
 *Marion G. Carter aka M.G. Carter, dealing in his sole and separate property is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.
 The Oil & Gas Lease information for this ratification are as follows:
 LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011
 * Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.
 *Total BONUS AMOUNT is: \$16,719.00 CK#21331

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21331

PAY TO THE ORDER OF: **MARION GREER CARTER**
dmayo
DATE: Jan 10, 2008 \$ AMOUNT: *****16,719.00

Purchaser: TOUCHWOOD RESOURCES, LLC/EDWARD C. WALL

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Security features included. See back.

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE: Jan 10, 2008 CHECK NUMBER: 21331
\$ *****16,719.00

PAY **SIXTEEN THOUSAND SEVEN HUNDRED NINETEEN AND NO/100 DOLLARS*******

Purchaser **TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE**

*Void if over \$16,719.00

TO THE ORDER OF **MARION GREER CARTER**

Debbie May
AUTHORIZED SIGNATURE REQUIRED
Edward C. Wallace
Chief Executive Officer

\$150.00 / acre x 111.46 net acres

⑈021331⑈



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

DORALEE MAUD NEWELL, DEALING IN HER SOLE AND SEPARATE PROPERTY

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION	COMPLETED W9
RATIFICATION <input checked="" type="checkbox"/>	GOVT. AGENCY	MEMORANDUM OF LEASE	MINERAL TAKEOFF
EXTENSION	FEE	LEASE PLAT	MIN. OWN. & EXEC. RIGHTS REPORT <input checked="" type="checkbox"/>
AMENDED	PAID-UP	COPY OF DRAFT/CHECK	COPY OF CHECK RECEIPT
BOOK: 118	PAGE: 244	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST: GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.07500000	GROSS ACRES: 480.00	NET ACRES: 36.0000	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$5,400.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: DORALEE MAUD NEWELL, DEALING IN HER SOLE AND SEPARATE PROPERTY	0.07500000
CONTINUED	
ADDRESS: 650 NEWELL ROAD	
ADDRESS:	
CITY ST ZIP: BIG SPRING, TX 79720	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.07500000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Doralee Maud Newell, dealing in her sole and separate property is entitled to a mineral interest under this description, however, she is not entitled to any

Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marion G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$12,539.25 Ck #21312



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

DORALEE MAUD NEWELL, DEALING IN HER SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW		FEDERAL		DOCUMENTS SUBMITTED:			
RENEWAL		STATE		ORIGINAL RATIFICATION	✓	COMPLETED W9	
RATIFICATION	✓	GOVT. AGENCY		MEMORANDUM OF LEASE		MINERAL TAKEOFF	
EXTENSION		FEE	✓	LEASE PLAT	✓	MIN. OWN. & EXEC. RIGHTS REPORT	✓
AMENDED		PAID-UP	✓	COPY OF DRAFT/CHECK	✓	COPY OF CHECK RECEIPT	
BOOK:	118	PAGE:	243	ENTRY/REGISTER/MICROFILM		COUNTY/PH-ST	GLASSCOCK, TX
DATE:	January 15, 2008	EFFECTIVE DATE:	January 15, 2008	EXPIRATION DATE:	January 15, 2011	TERM (YRS):	3
MINERAL INTEREST:	0.07500000	GROSS ACRES:	634.60	NET ACRES:	47.5950	ROYALTY RATE:	
CO. GWI	1.00000000			CO. NET ACRES:		SHUT-IN ROYALTY AMOUNT:	
BONUS PER ACRE:	\$150.00	TOTAL COST:	*\$7,139.25	FIRST RENTAL DUE:	N/A	RENTAL AMOUNT:	N/A

LESSOR(S):		INTEREST:	
NAME	DORALEE MAUD NEWELL, DEALING IN HER SOLE AND SEPARATE PROPERTY		0.07500000
CONTINUED			
ADDRESS	650 NEWELL ROAD		
ADDRESS			
CITY ST ZIP	BIG SPRING, TX 79720		
TIN:			
PHONE, EMAIL:			
NAME			
CONTINUED			
ADDRESS			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE, EMAIL:			
	TOTAL INTEREST:		0.07500000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

***Doralee Maud Newell, dealing in her sole and separate property** is entitled to a mineral interest under this description, however, she is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

***Total Cost of BOTH Ratifications is: \$12,539.25 Ck #21312**

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21312



PAY TO THE ORDER OF: **DORALEE MAUD NEWELL**
DATE: **Jan 10, 2008** AMOUNT: *******12,539.25**
Purchaser: **TOUCHWOOD**

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

IT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Security features included. See back.

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE: **Jan 10, 2008** CHECK NUMBER: **21312**
\$ *******12,539.25**

TWELVE THOUSAND FIVE HUNDRED THIRTY-NINE AND 25/100 DOLLARS*****

*Void if over \$12,539.25

Purchaser **TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE**

TO THE ORDER OF **DORALEE MAUD NEWELL**

Debbie Maud
AUTHORIZED SIGNATURE REQUIRED
Ken C. Buzen
Chief Executive Officer

\$150.00/acre x 83.595 net acres

⑈021312⑈



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 22, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

CHARLIE JOE SCHAFER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION	COMPLETED W9
RATIFICATION <input checked="" type="checkbox"/>	GOVT. AGENCY	MEMORANDUM OF LEASE	MINERAL TAKEOFF
EXTENSION	FEE <input checked="" type="checkbox"/>	LEASE PLAT	MIN. OWN. & EXEC. RIGHTS REPORT <input checked="" type="checkbox"/>
AMENDED	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK	COPY OF CHECK RECEIPT
BOOK: 118	PAGE: 512	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.07500000	GROSS ACRES: 634.60	NET ACRES: 47.5950	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$7,139.25	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: CHARLIE JOE SCHAFER, DEALING HIS HIS SOLE AND SEPARATE PROPERTY	0.05625000
CONTINUED	
ADDRESS: 1351 HILGER ROAD	
ADDRESS:	
CITY ST ZIP: BIG SPRING, TX 79720	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
	TOTAL INTEREST: 0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Charlie Joe Schafer, dealing in his sole and separate property is entitled to a mineral interest under this description, however, she is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$12,538.25 Ck #2863 21310



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 22, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

CHARLIE JOE SCHAFER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW		FEDERAL		DOCUMENTS SUBMITTED:			
RENEWAL		STATE		ORIGINAL RATIFICATION	✓	COMPLETED W9	
RATIFICATION	✓	GOVT. AGENCY		MEMORANDUM OF LEASE		MINERAL TAKEOFF	
EXTENSION		FEE	✓	LEASE PLAT	✓	MIN. OWN. & EXEC. RIGHTS REPORT	✓
AMENDED		PAID-UP	✓	COPY OF DRAFT/CHECK	✓	COPY OF CHECK RECEIPT	
BOOK:	118	PAGE:	511	ENTRY/REGISTER/MICROFILM		COUNTY/PH-ST	GLASSCOCK, TX
DATE:	January 15, 2008	EFFECTIVE DATE:	January 15, 2008	EXPIRATION DATE:	January 15, 2011	TERM (YRS):	3
MINERAL INTEREST:	0.07500000	GROSS ACRES:	480.00	NET ACRES:	36.0000	ROYALTY RATE:	
CO. GWI	1.00000000			CO. NET ACRES:		SHUT-IN ROYALTY AMOUNT:	
BONUS PER ACRE:	\$150.00	TOTAL COST:	*\$5,400.00	FIRST RENTAL DUE:	N/A	RENTAL AMOUNT:	N/A

LESSOR(S):		INTEREST:	
NAME	CHARLIE JOE SCHAFER, DEALING HIS HIS SOLE AND SEPARATE PROPERTY		0.07500000
CONTINUED			
ADDRESS	1351 HILGER ROAD		
ADDRESS			
CITY ST ZIP	BIG SPRING, TX 79720		
TIN:			
PHONE, EMAIL:			
NAME			
CONTINUED			
ADDRESS			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE, EMAIL:			
	TOTAL INTEREST:		0.07500000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Charlie Joe Schafer, dealing in his sole and separate property is entitled to a mineral interest under this description, however, she is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marlon G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block, 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$12,539.25 Ck #21310

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
23 N. Colorado • Midland TX 79710

CHECK NUMBER
21310

PAY TO THE ORDER OF:
CHARLIE JOE SCHAFER

dmayo

DATE Jan 10, 2008 \$ AMOUNT *****12,539.25

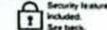
Purchaser: TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

Notice To Customer
The purchase of an indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

DO NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.



Notice To Customer
The purchase of an indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE Jan 10, 2008 CHECK NUMBER 21310
\$ *****12,539.25

88-2420/1163

PAY TWELVE THOUSAND FIVE HUNDRED THIRTY-NINE AND 25/100 DOLLARS*****

*Void if over \$12,539.25

Purchaser TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

TO THE ORDER OF CHARLIE JOE SCHAFER

Edward C. Wallace
AUTHORIZED SIGNATURE REQUIRED

Ken C. ...
Chief Executive Officer

⑈021310⑈

COPY



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

LEONARD SCHAFER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW <input 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 type="checkbox"/>
RATIFICATION <input checked="" 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 checked="" type="checkbox"/>	MIN. OWN. & EXEC. RIGHTS REPORT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	COPY OF CHECK RECEIPT <input type="checkbox"/>
BOOK: 118	PAGE: 263	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.075	GROSS ACRES: 480.00	NET ACRES: 36.000	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$5,400.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):		INTEREST:
NAME	Leonard Schafer	0.05625000
CONTINUED		
ADDRESS	600 Sourdough Rd.	
ADDRESS		
CITY ST ZIP	Coahoma, TX 79511	
TIN:		
PHONE, EMAIL:		
NAME		
CONTINUED		
ADDRESS		
ADDRESS		
CITY ST ZIP		
TIN:		
PHONE, EMAIL:		
	TOTAL INTEREST:	0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Charlie Joe Schafer, dealing in his sole and separate property is entitled to a mineral interest under this description, however, she is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marion G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block, 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$12,539.25 Ck #2063 & 4033



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

LEONARD SCHAFER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW <input 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 type="checkbox"/>
RATIFICATION <input checked="" 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 checked="" type="checkbox"/>	MIN. OWN. & EXEC. RIGHTS REPORT <input checked="" type="checkbox"/>
AMENDED <input type="checkbox"/>	PAID-UP <input checked="" type="checkbox"/>	COPY OF DRAFT/CHECK <input checked="" type="checkbox"/>	COPY OF CHECK RECEIPT <input type="checkbox"/>
BOOK: 117	PAGE: 811	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.075	GROSS ACRES: 634.60	NET ACRES: 47.595	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$7,139.25	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: Leonard Schafer	0.05625000
CONTINUED	
ADDRESS: 600 Sourdough Rd.	
ADDRESS:	
CITY ST ZIP: Coahoma, TX 79511	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Leonard Schafer, dealing in his sole and separate property is entitled to a mineral interest under this description, however, she is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Hugh Bryan Schafer, et al

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/011

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$12,539.25 Ck #2063 & 4033

TOUCHWOOD RESOURCES, LLC
 PO BOX 197 432/682-4728
 MIDLAND, TEXAS 79702

2064
 88-2420/1163

DATE 1/24/2008

PAY TO THE ORDER OF Leonard Schaffer \$ 720.83

seven hundred twenty dollars & 83/100 DOLLARS

FIRST NATIONAL BANK OF MIDLAND
 Ph. 432-686-0044
 123 N. Colorado • Midland, TX 79701

FOR Carter Land

#150.00 x 4.80556 net acres

TOUCHWOOD RESOURCES, LLC
 PO BOX 197 432/682-4728
 MIDLAND, TEXAS 79702

2063
 88-2420/1163

DATE 1/24/2008

PAY TO THE ORDER OF Leonard Schaffer \$ 12,538.25

twelve thousand five hundred thirty eight dollars & 25/100 DOLLARS

FIRST NATIONAL BANK OF MIDLAND
 Ph. 432-686-0044
 123 N. Colorado • Midland, TX 79701

FOR Schaffer Land

WHIT-00 C

Payment received this 24th day of January
 2008 by: *x* Leonard Schaffer
 LEONARD SCHAFER



WESTERN NATIONAL BANK
MIDLAND, TX.

88-737
1163

7/24/2008

PAY TO THE ORDER OF Leonard Schafer

\$**1.00

One and 00/100***** DOLLARS

Leonard Schafer
600 Sourdough Road
Coahoma, TX 79511

Shelley Ayers
AUTHORIZED SIGNATURE

MEMO Bonus Consideration

⑈004033⑈

VERITAS 321 ENERGY PARTNERS, LP

004033

Leonard Schafer

7/24/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/24/2008	Bill	Bonus Consideration	1.00	1.00		1.00
				Check Amount		1.00

Additional bonus meet - originally underpaid by \$1.00

(WNB) Veritas 321 EP Bonus Consideration

1.00



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

MARCK SCHAFER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION	COMPLETED W9
RATIFICATION	GOVT. AGENCY	MEMORANDUM OF LEASE	MINERAL TAKEOFF
EXTENSION	FEE	LEASE PLAT	MIN. OWN. & EXEC. RIGHTS REPORT
AMENDED	PAID-UP	COPY OF DRAFT/CHECK	COPY OF CHECK RECEIPT
BOOK: 118	PAGE: 264	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.05625000	GROSS ACRES: 480.00	NET ACRES: 27.0000	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$4,050.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: Marck Schafer, dealing in sole and separate property	0.05625000
CONTINUED	
ADDRESS: P.O. Box 61	
ADDRESS:	
CITY ST ZIP: Garden City, TX 79739	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Marck Schafer, dealing in his sole and separate property is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marlon G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block, 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21304



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

MARCK SCHAFER, DEALING IN HIS SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION	COMPLETED W9
RATIFICATION	GOVT. AGENCY	MEMORANDUM OF LEASE	MINERAL TAKEOFF
EXTENSION	FEE	LEASE PLAT	MIN. OWN. & EXEC. RIGHTS REPORT
AMENDED	PAID-UP	COPY OF DRAFT/CHECK	COPY OF CHECK RECEIPT

BOOK:	PAGE:	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST
118	5		GLASSCOCK, TX
DATE:	EFFECTIVE DATE:	EXPIRATION DATE:	TERM (YRS):
January 15, 2008	January 15, 2008	January 15, 2011	3
MINERAL INTEREST:	GROSS ACRES:	NET ACRES:	ROYALTY RATE:
0.05625000	634.60	35.6963	
CO. GWI		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
1.00000000			
BONUS PER ACRE:	TOTAL COST:	FIRST RENTAL DUE:	RENTAL AMOUNT:
\$150.00	*\$5,354.44	N/A	N/A

LESSOR(S):		INTEREST:	
NAME	Marck Schafer, dealing in sole and separate property		0.05625000
CONTINUED			
ADDRESS	P.O. Box 61		
ADDRESS			
CITY ST ZIP	Garden City, TX 79739		
TIN:			
PHONE, EMAIL:			
NAME			
CONTINUED			
ADDRESS			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE, EMAIL:			
	TOTAL INTEREST:		0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:
 *Marck Schafer, dealing in his sole and separate property is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.
 The Oil & Gas Lease information for this ratification are as follows:
 LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011
 * Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.
 *Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21304

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21304

PAY TO THE ORDER OF:
MARCK SCHAFFER

dmayo

DATE AMOUNT
Jan 10, 2008 \$ *****9,404.44

Purchaser: TOUCHWOOD RESOURCES, LLC/EDWARD C. WAL

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

DO NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.

88-2420/1183



FIRST
NATIONAL
BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE
Jan 10, 2008

CHECK NUMBER
21304

\$ *****9,404.44

PAY NINE THOUSAND FOUR HUNDRED FOUR AND 44/100 DOLLARS*****

Purchaser TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

*Void if over \$9,404.44

TO THE MARCK SCHAFFER
ORDER
OF

Debbie Mays
AUTHORIZED SIGNATURE REQUIRED

Ken C. Szymanski
Chief Executive Officer





MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

HUGH BRYAN SCHAFER AND NORVELLA ANN SCHAFER, HUSBAND AND WIFE; AND WILLIAM R. SCHAFER, JR., JERRY JOHN SCHAFER AND MELISSA BETH JORDAN, EACH DEALING IN THEIR SOLE AND SEPARATE PROPERTY. C/O HUGH BRYAN SCHAFER

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

<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 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 checked="" type="checkbox"/> LEASE PLAT	<input checked="" type="checkbox"/> MIN. OWN. & EXEC. RIGHTS REPORT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input checked="" type="checkbox"/> COPY OF DRAFT/CHECK	<input type="checkbox"/> COPY OF CHECK RECEIPT
BOOK: 117	PAGE: 815	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: SEE EXHIBIT "A" ATTACHED	GROSS ACRES: 480.0	NET ACRES: SEE EXHIBIT "A" ATTACHED	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$16,200.00	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: SEE EXHIBIT "A" ATTACHED	SEE EXHIBIT "A" ATTACHED
ADDRESS: CONTINUED	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	SEE EXHIBIT "A" ATTACHED

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

***William R. Schafer, dssp, Jerry John Schafer, dssp, Melissa Beth Jordan, dssp, Hugh Bryan Schafer & Norvella Ann Schafer, husband and wife are entitled to a mineral interest under this description, however, they are not entitled to any Executive Rights.**

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marion G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block, 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

Bonus Amount based on Ck #21381, 21382, 21383, 21384



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

HUGH BRYAN SCHAFFER AND NORVELLA ANN SCHAFFER, HUSBAND AND WIFE; AND WILLIAM R. SCHAFFER, JR., JERRY JOHN SCHAFFER AND MELISSA BETH JORDAN, EACH DEALING IN THEIR SOLE AND SEPARATE PROPERTY, C/O HUGH BRYAN SCHAFFER

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

<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"/> MINERAL TAKEOFF
<input type="checkbox"/> EXTENSION	<input checked="" type="checkbox"/> FEE	<input checked="" type="checkbox"/> LEASE PLAT	<input checked="" type="checkbox"/> MIN. OWN. & EXEC. RIGHTS REPORT
<input type="checkbox"/> AMENDED	<input checked="" type="checkbox"/> PAID-UP	<input checked="" type="checkbox"/> COPY OF DRAFT/CHECK	<input type="checkbox"/> COPY OF CHECK RECEIPT
BOOK: 118	PAGE: 11	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: SEE EXHIBIT "A" ATTACHED	GROSS ACRES: 634.60	NET ACRES: SEE EXHIBIT "A" ATTACHED	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$21,417.75	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: SEE EXHIBIT "A" ATTACHED	SEE EXHIBIT "A" ATTACHED
CONTINUED: FOR LESSOR (S) LISTED ABOVE	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	SEE EXHIBIT "A" ATTACHED
SEE ADDITIONAL PAGES OR ATTACHMENTS <input type="checkbox"/>	

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:
 *Pg. 3 - Shut-in royalty - \$2.00 per net acre
 * Bonus amount is based on the Total Net Acreage and the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.
 *TOTAL COST OF LEASE: \$21,417.75

CASHIER'S CHECK - ACCOUNTING DEPARTMENT COPY

CHECK NUMBER
21381

DATE AMOUNT
dmayo Jan 14, 2008 \$ *****13,317.75

PAY TO THE ORDER OF:
Hugh Bryan Schafer and Norvella Ann Schafer

CREDIT

Purchaser: Touchwood Resources, LLC/ Edward C Wallace
Purchaser's Agent: FNB DD

⑈021381⑈

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21381

DATE AMOUNT
dmayo Jan 14, 2008 \$ *****13,317.75
PAY TO THE ORDER OF:
Hugh Bryan Schafer and Norvella Ann Schafer

Purchaser: Touchwood Resources, LLC/ Edward C Wallace

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Security features included. See back.

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE CHECK NUMBER
Jan 14, 2008 21381
\$ *****13,317.75

PAY TO THE ORDER OF: **THIRTEEN THOUSAND THREE HUNDRED SEVENTEEN AND 75/100 DOLLARS*******

Purchaser Touchwood Resources, LLC/ Edward C Wallace

*Void if over \$13,317.75

TO THE ORDER OF: **HUGH BRYAN SCHAFFER AND NORVELLA ANN SCHAFFER**

Debbi Mayo
AUTHORIZED SIGNATURE REQUIRED

Ken C. Buzynski
Chief Executive Officer

⑈021381⑈

CASHIER'S CHECK - ACCOUNTING DEPARTMENT COPY

CHECK NUMBER
21382

DATE AMOUNT
dmayo Jan 14, 2008 \$ *****8,100.00

PAY TO THE ORDER OF:
William Ralph Schafer

CREDIT

Purchaser: Touchwood Resources, LLC/ Edward C Wallace
Purchaser's Agent: FNB DD

⑈021382⑈

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21382

DATE AMOUNT
dmayo Jan 14, 2008 \$ *****8,100.00

PAY TO THE ORDER OF:
William Ralph Schafer

Purchaser: Touchwood Resources, LLC/ Edward C Wallace

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.



Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-688-0044
123 N. Colorado, Midland TX 79710

DATE CHECK NUMBER
Jan 14, 2008 21382
\$ *****8,100.00

88-2420/1163

PAY EIGHT THOUSAND ONE HUNDRED AND NO/100 DOLLARS*****

*Void if over \$8,100.00

Purchaser Touchwood Resources, LLC/ Edward C Wallace

TO THE ORDER OF WILLIAM RALPH SCHAFER

Debbyn Mayo
AUTHORIZED SIGNATURE REQUIRED

Ken C. Buzynski
Chief Executive Officer



CASHIER'S CHECK - ACCOUNTING DEPARTMENT COPY

CHECK NUMBER
21383

DATE AMOUNT
d Mayo Jan 14, 2008 \$ *****8,100.00

PAY TO THE ORDER OF:
Jerry John Schafer

CREDIT

Purchaser: Touchwood Resources, LLC/ Edward C Wallace
Purchaser's Agent: FNB DD

⑈021383⑈

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21383

DATE AMOUNT
d Mayo Jan 14, 2008 \$ *****8,100.00

PAY TO THE ORDER OF:
Jerry John Schafer

Purchaser: Touchwood Resources, LLC/ Edward C Wallace

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Security features included. See back.

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE
Jan 14, 2008

CHECK NUMBER
21383

\$ *****8,100.00

PAY EIGHT THOUSAND ONE HUNDRED AND NO/100 DOLLARS*****

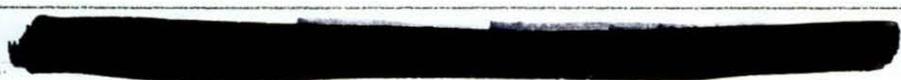
*Void if over \$8,100.00

Purchaser Touchwood Resources, LLC/ Edward C Wallace

TO THE ORDER OF
JERRY JOHN SCHAFER

Edward C. Wallace
AUTHORIZED SIGNATURE REQUIRED

Ken C. ...
Chief Executive Officer





MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

PHILLIP BRANT SCHAFER, INDIVIDUALLY AND IN HIS CAPACITY AS EXECUTOR FOR THE ESTATE OF GENE A. SCHAFER, DECEASED.
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION	COMPLETED W9
RATIFICATION ✓	GOVT. AGENCY	MEMORANDUM OF LEASE	MINERAL TAKEOFF ✓
EXTENSION	FEE ✓	LEASE PLAT	MIN. OWN. & EXEC. RIGHTS REPORT ✓
AMENDED	PAID-UP ✓	COPY OF DRAFT/CHECK ✓	COPY OF CHECK RECEIPT ✓
BOOK: 118	PAGE: 261	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.05625000	GROSS ACRES: 634.60	NET ACRES: 35.6963	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: \$5,354.44	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: PHILLIP BRANT SCHAFER, INDIVIDUALLY AND IN HIS CAPACITY AS EXECUTOR FOR THE ESTATE OF GENE A. SCHAFER, DECEASED.	0.05625000
CONTINUED	
ADDRESS: 2246 FM 969	
ADDRESS:	
CITY ST ZIP: ELGIN, TX 78621-5737	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:
 *Phillip Brant Schafer, individually and in his capacity as executor for the estate of Gene A. Schafer, deceased is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.
 The Oil & Gas Lease information for this ratification are as follows:
 LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011
 * Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.
 *Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21306



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

PHILLIP BRANT SCHAFER, INDIVIDUALLY AND IN HIS CAPACITY AS EXECUTOR FOR THE ESTATE OF GENE A. SCHAFER, DECEASED.
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW		FEDERAL		DOCUMENTS SUBMITTED:			
RENEWAL		STATE		ORIGINAL RATIFICATION	✓	COMPLETED W9	✓
RATIFICATION	✓	GOVT. AGENCY		MEMORANDUM OF LEASE	✓	MINERAL TAKEOFF	✓
EXTENSION		FEE	✓	LEASE PLAT	✓	MIN. OWN. & EXEC. RIGHTS REPORT	✓
AMENDED		PAID-UP	✓	COPY OF DRAFT/CHECK	✓	COPY OF CHECK RECEIPT	
BOOK:	118	PAGE:	262	ENTRY/REGISTER/MICROFILM		COUNTY/PH-ST	GLASSCOCK, TX
DATE:	January 15, 2008	EFFECTIVE DATE:	January 15, 2008	EXPIRATION DATE:	January 15, 2011	TERM (YRS):	3
MINERAL INTEREST:	0.05625000	GROSS ACRES:	480.00	NET ACRES:	27.0000	ROYALTY RATE:	
CO. GWI	1.00000000			CO. NET ACRES:		SHUT-IN ROYALTY AMOUNT:	
BONUS PER ACRE:	\$150.00	TOTAL COST:	*\$4,050.00	FIRST RENTAL DUE:	N/A	RENTAL AMOUNT:	N/A

LESSOR(S):		INTEREST:	
NAME	PHILLIP BRANT SCHAFER, INDIVIDUALLY AND IN HIS CAPACITY AS EXECUTOR FOR		0.05625000
CONTINUED	THE ESTATE OF GENE A. SCHAFER, DECEASED.		
ADDRESS	2246 FM 969		
ADDRESS			
CITY ST ZIP	ELGIN, TX 78621-5737		
TIN:			
PHONE, EMAIL:			
NAME			
CONTINUED			
ADDRESS			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE, EMAIL:			
	TOTAL INTEREST:		0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:
 *Phillip Brant Schafer, individually and in his capacity as executor for the estate of Gene A. Schafer, deceased is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.
 The Oil & Gas Lease information for this ratification are as follows:
 LESSOR(S): Marlon G. Carter aka M.G. Carter
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: West 480 acres of Section 44, Block, 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/018
 * Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.
 *Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21306

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21306

PAY TO THE ORDER OF:
ESTATE OF GENE A. SCHAFER, DEC'D

dmayo

DATE AMOUNT
Jan 10, 2008 \$ *****9,404.44

Purchaser: TOUCHWOOD RESOURCES, LLC/EDWARD C. WAL

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

IT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Security features included. See back.

Notice To Customer
The purchase of an Indemnity Bond will be required before this check will be replaced or refunded in the event it is lost, misplaced or stolen.

88-2420/1163



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-688-0044
123 N. Colorado, Midland TX 79710

DATE CHECK NUMBER
Jan 10, 2008 21306
\$ *****9,404.44

PAY NINE THOUSAND FOUR HUNDRED FOUR AND 44/100 DOLLARS*****

*Void if over \$9,404.44

Purchaser TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

TO THE ORDER OF ESTATE OF GENE A. SCHAFER, DEC'D

Edward C. Wallace
AUTHORIZED SIGNATURE REQUIRED

Ken C. Buzman
Chief Executive Officer

⑈021306⑈

MP



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

LILLIAN JOYCE FULLER, DEALING IN HER SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION	COMPLETED W9
RATIFICATION	GOVT. AGENCY	MEMORANDUM OF LEASE	MINERAL TAKEOFF
EXTENSION	FEE	LEASE PLAT	MIN. OWN. & EXEC. RIGHTS REPORT
AMENDED	PAID-UP	COPY OF DRAFT/CHECK	COPY OF CHECK RECEIPT
BOOK: 118	PAGE: 259	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST: GLASSCOCK, TX
DATE: January 15, 2008	EFFECTIVE DATE: January 15, 2008	EXPIRATION DATE: January 15, 2011	TERM (YRS): 3
MINERAL INTEREST: 0.05625000	GROSS ACRES: 634.60	NET ACRES: 35.6963	ROYALTY RATE:
CO. GWI: 1.00000000		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
BONUS PER ACRE: \$150.00	TOTAL COST: *\$5,354.44	FIRST RENTAL DUE: N/A	RENTAL AMOUNT: N/A

LESSOR(S):	INTEREST:
NAME: LILLIAN JOYCE FULLER AKA JOYCE FULLER, DEALING IN HER SOLE AND SEPARATE PROPERTY	0.05625000
CONTINUED	
ADDRESS: 1500 RUNNELS ST.	
ADDRESS:	
CITY ST ZIP: BIG SPRING, TX 79720	
TIN:	
PHONE, EMAIL:	
NAME:	
CONTINUED	
ADDRESS:	
ADDRESS:	
CITY ST ZIP:	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

***Lillian Joyce Fuller, dealing in her sole and separate property** is entitled to a mineral interest under this description, however, she is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Hugh Bryan Schafer, et al

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/011

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

***Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21308**



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

LILLIAN JOYCE FULLER, DEALING IN HER SOLE AND SEPARATE PROPERTY
 ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW		FEDERAL		DOCUMENTS SUBMITTED:			
RENEWAL		STATE		ORIGINAL RATIFICATION	✓	COMPLETED W9	
RATIFICATION	✓	GOVT. AGENCY		MEMORANDUM OF LEASE		MINERAL TAKEOFF	
EXTENSION		FEE	✓	LEASE PLAT	✓	MIN. OWN. & EXEC. RIGHTS REPORT	✓
AMENDED		PAID-UP	✓	COPY OF DRAFT/CHECK	✓	COPY OF CHECK RECEIPT	
BOOK:	118	PAGE:	260	ENTRY/REGISTER/MICROFILM		COUNTY/PH-ST	GLASSCOCK, TX
DATE:	January 15, 2008	EFFECTIVE DATE:	January 15, 2008	EXPIRATION DATE:	January 15, 2011	TERM (YRS):	3
MINERAL INTEREST:	0.05625000	GROSS ACRES:	480.00	NET ACRES:	27.0000	ROYALTY RATE:	
CO. GWI	1.00000000			CO. NET ACRES:		SHUT-IN ROYALTY AMOUNT:	
BONUS PER ACRE:	\$150.00	TOTAL COST:	*\$4,050.00	FIRST RENTAL DUE:	N/A	RENTAL AMOUNT:	N/A

LESSOR(S):		INTEREST:	
NAME	LILLIAN JOYCE FULLER AKA JOYCE FULLER, DEALING IN HER SOLE AND SEPARATE		0.05625000
CONTINUED	PROPERTY		
ADDRESS	1500 RUNNELS ST.		
ADDRESS			
CITY ST ZIP	BIG SPRING, TX 79720		
TIN:			
PHONE, EMAIL:			
NAME			
CONTINUED			
ADDRESS			
ADDRESS			
CITY ST ZIP			
TIN:			
PHONE, EMAIL:			
	TOTAL INTEREST:		0.05625000

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Lillian Joyce Fuller, dealing in her sole and separate property is entitled to a mineral interest under this description, however, she is not entitled to any

Executive Rights:

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marlon G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21308

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
MIDLAND
3 N. Colorado • Midland TX 79710

CHECK NUMBER
21308

PAY TO THE ORDER OF:
LILLIAN JOYCE FULLER

dmayo

DATE AMOUNT
Jan 10, 2008 \$ *****9,404.44

Purchaser: TOUCHWOOD RESOURCES, LLC/EDWARD C. WAL

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced, or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

DO NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.



Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced, or stolen.



FIRST NATIONAL BANK
OF MIDLAND
PH. 432-686-0044
123 N. Colorado, Midland TX 79710

DATE CHECK NUMBER
Jan 10, 2008 21308
\$ *****9,404.44

ONE THOUSAND FOUR HUNDRED FOUR AND 44/100 DOLLARS*****

*Void if over \$9,404.44

Purchaser TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

Debbie Mayo
AUTHORIZED SIGNATURE REQUIRED

Ken C. Buzard
Chief Executive Officer

TO THE LILLIAN JOYCE FULLER
ORDER
OF

⑈021308⑈



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

RAY WALKER, INDIVIDUALLY AND IN HIS CAPACITIES AS GENERAL PARTNER FOR WALKER FARMS, LTD., & AS PRESIDENT FOR RCR, INC.

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

EAST 160 ACRES OF SECTION 44 SAVE & EXCEPT A TRACT OF 5.4 ACRES UNDER STATE HIGHWAY 33; N2 AND SW4 OF SECTION 40, ALL IN BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW		FEDERAL		DOCUMENTS SUBMITTED:			
RENEWAL		STATE		ORIGINAL RATIFICATION	✓	COMPLETED W9	
RATIFICATION	✓	GOVT. AGENCY		MEMORANDUM OF LEASE	✓	MINERAL TAKEOFF	✓
EXTENSION		FEE	✓	LEASE PLAT	✓	MIN. OWN. & EXEC. RIGHTS REPORT	✓
AMENDED		PAID-UP	✓	COPY OF DRAFT/CHECK	✓	COPY OF CHECK RECEIPT	
BOOK:	118	PAGE:	809	ENTRY/REGISTER/MICROFILM		COUNTY/PH-ST	GLASSCOCK, TX
DATE:	January 15, 2008	EFFECTIVE DATE:	January 15, 2008	EXPIRATION DATE:	January 15, 2011	TERM (YRS):	3
MINERAL INTEREST:	0.02812500	GROSS ACRES:	634.60	NET ACRES:	35.6962	ROYALTY RATE:	
CO. GWI	1.00000000			CO. NET ACRES:		SHUT-IN ROYALTY AMOUNT:	
BONUS PER ACRE:	\$150.00	TOTAL COST:	*\$5,354.44	FIRST RENTAL DUE:	N/A	RENTAL AMOUNT:	N/A

LESSOR(S):	INTEREST:
NAME CONTINUED	0.02812500
ADDRESS	
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE, EMAIL:	
NAME CONTINUED	
ADDRESS	
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE, EMAIL:	
TOTAL INTEREST:	0.02812500

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Ray Walker, individually and in his capacities as General Partner for Walker Farms, Ltd., and as President of RCR, Inc. is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Hugh Bryan Schafer, et al
 LESSEE: Touchwood Resources, LP
 DATE: January 15, 2008
 LANDS: East 160 acres of Section 44 Save & Except a tract of 5.4 acres under State Highway 33; N2 and SW4 of Section 40, All in Block 33, T-2-S, T&P Ry Co Survey
 TERM: 3 years
 ROYALTY: 1/5
 RECORDING: 118/011

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21302



MARINER ENERGY, INC.

LEASE PURCHASE OR MINERAL ACQUISITION REPORT

DATE:	July 23, 2008	PROSPECT:	DEADWOOD
PREPARED BY:	VERITAS 321 ENERGY PARTNERS, LP (BR)	AFE #	072296
APPROVED BY:			blue cell = formula inserted

ASSIGNOR/LESSOR/GRANTOR:

RAY WALKER, INDIVIDUALLY AND IN HIS CAPACITIES AS GENERAL PARTNER FOR WALKER FARMS, LTD., & AS PRESIDENT FOR RCR, INC.

ASSIGNEE/LESSEE/GRANTEE:

TOUCHWOOD RESOURCES, LLC

PROPERTY DESCRIPTION:

WEST 480 ACRES OF SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P RY CO SURVEY

NEW	FEDERAL	DOCUMENTS SUBMITTED:	
RENEWAL	STATE	ORIGINAL RATIFICATION ✓	COMPLETED W9 ✓
RATIFICATION ✓	GOVT. AGENCY	MEMORANDUM OF LEASE ✓	MINERAL TAKEOFF ✓
EXTENSION	FEE ✓	LEASE PLAT ✓	MIN. OWN. & EXEC. RIGHTS REPORT ✓
AMENDED	PAID-UP ✓	COPY OF DRAFT/CHECK ✓	COPY OF CHECK RECEIPT ✓
BOOK:	PAGE:	ENTRY/REGISTER/MICROFILM	COUNTY/PH-ST
118	3		GLASSCOCK, TX
DATE:	EFFECTIVE DATE:	EXPIRATION DATE:	TERM (YRS):
January 15, 2008	January 15, 2008	January 15, 2011	3
MINERAL INTEREST:	GROSS ACRES:	NET ACRES:	ROYALTY RATE:
0.02812500	480.00	27.0000	
CO. GWI		CO. NET ACRES:	SHUT-IN ROYALTY AMOUNT:
1.00000000			
BONUS PER ACRE:	TOTAL COST:	FIRST RENTAL DUE:	RENTAL AMOUNT:
\$150.00	*\$4,050.00	N/A	N/A

LESSOR(S):	INTEREST:
NAME	Ray Walker, individually and in his capacities as General Partner for Walker Farms, Ltd.,
CONTINUED	and as President of RCR, Inc.
ADDRESS	7705 NCR 25
ADDRESS	
CITY ST ZIP	Big Spring, TX 79720
TIN:	
PHONE, EMAIL:	
NAME	
CONTINUED	
ADDRESS	
ADDRESS	
CITY ST ZIP	
TIN:	
PHONE, EMAIL:	
	TOTAL INTEREST: 0.02812500

SEE ADDITIONAL PAGES OR ATTACHMENTS

INSTRUCTIONS, SPECIAL PROVISIONS AND OBLIGATIONS:

SEE LEASE FOR DETAILS:

*Ray Walker, individually and in his capacities as General Partner for Walker Farms, Ltd., and as President of RCR, Inc. is entitled to a mineral interest under this description, however, he is not entitled to any Executive Rights.

The Oil & Gas Lease information for this ratification are as follows:

LESSOR(S): Marion G. Carter aka M.G. Carter

LESSEE: Touchwood Resources, LP

DATE: January 15, 2008

LANDS: West 480 acres of Section 44, Block 33, T-2-S, T&P Ry Co Survey

TERM: 3 years

ROYALTY: 1/5

RECORDING: 118/018

* Bonus amount is based on the Total Net Acreage for this specific tract captured under the executed Ratification by Lessor, which is in reference to the Mineral Ownership and Executive Rights Report. See Attachment for further details.

*Total Cost of BOTH Ratifications is: \$9,404.44 Ck #21302

CASHIER'S CHECK COPY

FIRST NATIONAL BANK
OF MIDLAND
123 N. Colorado • Midland TX 79710

CHECK NUMBER
21302

PAY TO THE ORDER OF:
WALKER FARMS

dmayo

DATE AMOUNT
Jan 10, 2008 \$ *****9,404.44

Purchaser: TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.

FIRST NATIONAL BANK
OF MIDLAND

Cashier's Check

NOT CASH UNLESS RED "EAGLE" LOGO IN LOWER RIGHT CORNER FADES BY FIRM RUBBING AND REAPPEARS AT ROOM TEMPERATURE.

Notice To Customer
The purchase of an Indemnity Bond will be required
before this check will be replaced or refunded in the
event it is lost, misplaced or stolen.



FIRST
NATIONAL
BANK
OF MIDLAND
PH. 432-886-0044
123 N. Colorado, Midland TX 79710

DATE CHECK NUMBER
Jan 10, 2008 21302
\$ *****9,404.44

88-2420/1183

PAY NINE THOUSAND FOUR HUNDRED FOUR AND 44/100 DOLLARS*****

*Void if over \$9,404.44

Purchaser TOUCHWOOD RESOURCES, LLC/EDWARD C. WALLACE

TO THE WALKER FARMS
ORDER
OF

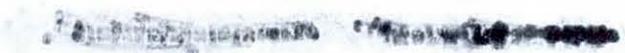
Edward C. Wallace
AUTHORIZED SIGNATURE REQUIRED

Edward C. Wallace
Chief Executive Officer

⑈021302⑈

6.

File No. MF 112163
Glenn Spitz
Date Filed: 1/5/11
Jerry E. Patterson, Commissioner
By [Signature]



3099

PAID-UP OIL AND GAS LEASE

MELISSA *MAY*

THIS LEASE AGREEMENT is made as of the 15th day of January, 2008, between between Hugh Bryan Schafer and Norvella Ann Schafer, husband and wife, and William R. Schafer, Jr., Jerry John Schafer and Melissa Beth Jordan, each dealing respectively in their sole and separate property, c/o Hugh B. Schafer, 2801 Ranch Road 33, Big Spring, TX 79720-7810, as Lessor (whether one or more), and Touchwood Resources, LLC, PO Box 197, Midland, Texas 79702, as Lessee.

1. **Description.** In consideration of the sum of Ten and no/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration and the covenants herein contained, Lessor hereby grants exclusively to Lessee the following described land (use attachment for long descriptions):

East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33;
N2 and SW4 of Section 40,
all in Block 33, Township 2 South, T&P Ry Co Survey

See Exhibit "A" attached hereto for further terms and conditions

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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.

in the Counties of Glasscock, State of Texas, containing -634.60- acres, more or less, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbons and non-hydrocarbon substances produced in association therewith. The term "gas" as used herein includes hydrocarbon gases. In addition to the above-described land, this lease also covers accretions of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described land, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered.

2. **Terms of Lease.** This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith, or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty Payment.** Royalties on oil and gas produced and sold hereunder shall be paid by Lessee to Lessor as follows: a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-fifth (1/5) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same or nearest field for production of similar grade and gravity; b) For gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-fifth (1/5) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the costs incurred by Lessee in delivering, processing or otherwise making such gas or other substance merchantable, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same or nearest field pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and c) If a well on the leased premises or lands pooled therewith is capable of producing gas (including casinghead gas) but such well is either shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor, and if this lease is not otherwise maintained in effect, such well shall nevertheless be considered as though it were producing gas in paying quantities for the purpose of maintaining this lease, whether during or after the primary term. If Lessee pays shut-in royalty of Two Dollars per acre then covered by this lease, such payment to be made to Lessor on or before the next ensuing anniversary date of this lease, or within 90 days after such anniversary date, and thereafter on or before each anniversary date hereof while the well is shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor. For the purpose of calculating shut-in royalties, the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less.

4. **Operations.** If at the end of the primary term or at 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, deepening, 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 120 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.

5. **Pooling.** Lessee shall have the right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to oil or gas or both, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, when such pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well shall not exceed 320 acres plus a maximum acreage tolerance of 10%, except that larger units may be formed for oil wells or gas wells to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production produced and saved which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee must terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. The restrictions and requirements of this Paragraph 5 shall not apply to compulsory pooling of interests effected by operation of law or by order of any governmental authority having jurisdiction, but all other references to pooling contained in this lease shall include such compulsory pooling as well as pooling effected under this Paragraph 5.

6. **Lessor Interest.** If Lessor owns less than the entire and undivided mineral estate in the above-described land or any portion thereof, the royalties and shut-in royalties herein provided shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided mineral estate in said land or portion thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of

Lessee hereunder, and no change in ownership shall be binding on Lessee until 45 days after Lessee has been furnished certified copies of the documents effecting such change, or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order, which Lessor hereby agrees to execute prior to the payment of royalties hereunder. In the event of the death of any person entitled to shut-in royalty hereunder, Lessee may pay such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay such shut-in royalties to such persons jointly, or separately in proportion to the interest in which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to the interest not so transferred.

8. **Release of Lease.** Lessee may, at an time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder, and for such purpose the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less.

9. **Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or substances produced on the leased premises, except water from Lessor's wells or ponds. The right of ingress and egress granted hereby shall apply to the entire leased premises notwithstanding any release or other termination affecting any portion thereof. When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth. No well shall be located less than 200 feet from any house or barn now on the leased premises without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises, and to timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease or within 180 days.

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

11. **Breach or Default.** No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period.

12. **Warranty of Title.** Lessor hereby warrants and agrees to defend Lessee's title hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If it exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder until Lessee has been furnished satisfactory evidence that such claim has been resolved in Lessor's favor.

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

WITNESSES AND/OR ATTESTATION

LESSOR (WHETHER ONE OR MORE)

Hugh B. Schafer
 Hugh Bryan Schafer, husband of Norvella Ann Schafer

William R. Schafer, Jr.
 William R. Schafer, Jr., dealing in his sole and separate property

Melissa Beth Jordan
 Melissa Beth Jordan, dealing in her sole and separate property

MELISSA BJ

Norvella Ann Schafer
 Norvella Ann Schafer, wife of Hugh B. Schafer

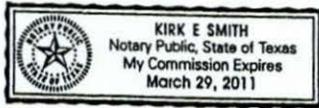
Jerry John Schafer
 Jerry John Schafer, dealing in his sole and separate property

ACKNOWLEDGMENTS

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
Hugh Bryan Schafer and Norvella Ann Schafer, husband and wife



Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
William R. Schafer, Jr.



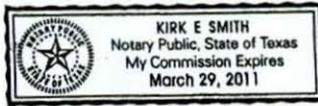
Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
Jerry John Schafer



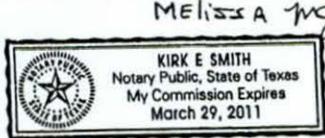
Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

STATE OF TEXAS §

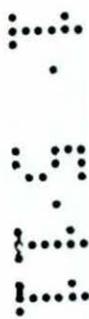
COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
Melissa Beth Jordan



Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____



#3100

PAID-UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 15th day of January, 2008, between Marion G. Carter aka M.G. Carter, dealing in his sole and separate property, 451 Hillger, Big Spring, TX 79720-7826, as Lessor (whether one or more), and Touchwood Resources, LLC, PO Box 197, Midland, Texas 79702, as Lessee.

1. **Description.** In consideration of the sum of Ten and no/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration and the covenants herein contained, Lessor hereby grants exclusively to Lessee the following described land (use attachment for long descriptions):

West 480 acres of Section 44, Block 33, Township 2 South, T&P Ry Co Survey.

See Exhibit "A" attached hereto for further terms and conditions

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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.

in the Counties of Glasscock, State of Texas, containing 480.00 acres, more or less, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbons and non-hydrocarbon substances produced in association therewith. The term "gas" as used herein includes hydrocarbon gases. In addition to the above-described land, this lease also covers accretions of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described land, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered.

2. **Terms of Lease.** This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith, or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty Payment.** Royalties on oil and gas produced and sold hereunder shall be paid by Lessee to Lessor as follows: a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-fifth (1/5) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same or nearest field for production of similar grade and gravity; b) For gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-fifth (1/5) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the costs incurred by Lessee in delivering, processing or otherwise making such gas or other substance merchantable, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same or nearest field pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and c) If a well on the leased premises or lands pooled therewith is capable of producing gas (including casinghead gas) but such well is either shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor, and if this lease is not otherwise maintained in effect, such well shall nevertheless be considered as though it were producing gas in paying quantities for the purpose of maintaining this lease, whether during or after the primary term. If Lessee pays shut-in royalty of Two Dollars per acre then covered by this lease, such payment to be made to Lessor on or before the next ensuing anniversary date of this lease, or within 90 days after such anniversary date, and thereafter on or before each anniversary date hereof while the well is shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor. For the purpose of calculating shut-in royalties, the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less.

4. **Operations.** If at the end of the primary term or at 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, deepening, 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 120 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.

5. **Pooling.** Lessee shall have the right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to oil or gas or both, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, when such pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well shall not exceed 320 acres plus a maximum acreage tolerance of 10%, except that larger units may be formed for oil wells or gas wells to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production produced and saved which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee must terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. The restrictions and requirements of this Paragraph 5 shall not apply to compulsory pooling of interests effected by operation of law or by order of any governmental authority having jurisdiction, but all other references to pooling contained in this lease shall include such compulsory pooling as well as pooling effected under this Paragraph 5.

6. **Lessor Interest.** If Lessor owns less than the entire and undivided mineral estate in the above-described land or any portion thereof, the royalties and shut-in royalties herein provided shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided mineral estate in said land or portion thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 45 days after Lessee has been furnished certified copies of the documents effecting such change, or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order, which Lessor hereby agrees to execute prior to the payment of royalties hereunder. In the event of the death of any person entitled to shut-in royalty hereunder, Lessee may pay such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to

shut-in royalties hereunder, Lessee may pay such shut-in royalties to such persons jointly, or separately in proportion to the interest in which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to the interest not so transferred.

8. **Release of Lease.** Lessee may, at an time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder, and for such purpose the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less.

9. **Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or substances produced on the leased premises, except water from Lessor's wells or ponds. The right of ingress and egress granted hereby shall apply to the entire leased premises notwithstanding any release or other termination affecting any portion thereof. When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth. No well shall be located less than 200 feet from any house or barn now on the leased premises without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises, and to timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease or within 180 days.

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

11. **Breach or Default.** No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period.

12. **Warranty of Title.** Lessor hereby warrants and agrees to defend Lessee's title hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If it exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder until Lessee has been furnished satisfactory evidence that such claim has been resolved in Lessor's favor.

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

WITNESSES AND/OR ATTESTATION

LESSOR (WHETHER ONE OR MORE)

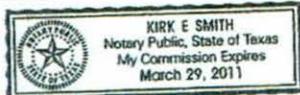
M. G. Carter
Marion G. Carter aka M.G. Carter dealing in his sole and separate property

ACKNOWLEDGMENTS

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by Marion G. Carter aka M.G. Carter



K. P. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated _____ 200__ by and between Marion G. Carter aka M.G. Carter as Lessor (whether one or more), and Touchwood Resources LLC, as Lessee.

Notwithstanding anything contained herein to the contrary, the provisions of this Exhibit "A" shall control in the event of an inconsistency or conflict, with the oil and gas lease attached hereto.

a. Lessee agrees to pay to Surface Owner in cash and in advance prior to drilling, reasonable surface damages for all of its operations hereunder. Lessee shall pay \$5,500.00 for each well location which shall include pad, pit and one tank battery and an additional \$1,500.00 for each tank battery which is not placed on a well location. Damages for each horizontal well drilled shall be \$6,500.00 and an additional \$1,500.00 for each tank battery that is not place on a well location. Damages for new roadways and flowlines shall be calculated at a rate \$10.00 a rod for roadways and \$7.50 a rod for flowlines.

b. Lessee further agrees that neither he nor his employees, contractors, suppliers and agents shall bring any firearms on the leased premises. At such times as Lessee is not conducting operations on the leased premises, or is not transporting oil or other liquid hydrocarbons therefrom, he will keep all entry gates to the leased premises closed and locked; and that in the event of commercial production of oil and/or gas from the leased premises, that all cattle guards entering the premises, shall be locked and chained.

c. Lessee further agrees to consult with Surface Owner regarding location of all roads used or installed by Lessee. All cattle guards installed by Lessee will be in accordance with Surface Owner's reasonable specifications to be not less than 9' X 16' X 5' in size. Fence corners and fence braces installed by Lessee will be in accordance with Surface Owner's reasonable specifications, and shall be construed of at least 3" pipe installed 4' underground. All roads used or installed by Lessee will be caliched at the rate of 6" compacted to 5" and maintained in a good condition. With regard to installation of cattle guards on the leased premises, Lessee agrees that all cattle guards so installed shall be constructed as to prevent livestock from crossing said cattle guard and shall be constructed so that there is a "Swing gate" which shall be lockable. All gates shall be constructed by 4 X 4" wire mesh, to be predator proof and in accordance with Surface Owner's reasonable specifications. Lessee further agrees that upon cessation of production, abandonment of the lease, release or termination of the lease, whichever occurs first, that all cattle guards, gates or fence posts installed by Lessee shall be turned over to the Surface Owner so that Surface Owner shall have full rights and title thereto. It is further agreed that all roads used by Lessee shall be and remain private roads for all purposes.

d. Lessee shall not use fresh water produced from the leased premise unless produced from below 300 feet from the surface. Water produced from below 300 feet from the surface will be produced only with Lessor's consent.

e. Lessee shall fence out all producing well sites, drilling sites and slush pits or other pits which the Lessee may create, or cause to be located on such land, so that fluids there or damaging substances thereof shall be wholly unavailable to livestock being grazed upon the above described lands or any part thereof.

f. Each drill site shall be cleaned and leveled by the Lessee as soon as reasonably possible after the completion of each well and in such a manner that the land will be returned to its former condition as nearly as possible under the circumstances. Lessee further agrees that all slush pits shall be filled and closed as promptly as possible.

g. The operations of Lessee on the leased premises shall be conducted in such a manner that the Lessee shall use reasonable and customary means to prevent the contamination of any and all waters in, on and under said land, whether in surface tanks or any other type of storage, in creek beds or river beds, and any and all surface and subsurface water bearing strata or formations by virtue of Lessee's drilling, development and productions. Lessee shall prevent contamination of the surface of the above described lands from salt water or other contaminating substances flowing over or seeping onto such lands because of Lessee's operations.

h. It is further understood and agreed that Lessee, his successors and assigns in any and all operations, working and actions taken hereunder will conduct such operations, workings and actions in such a manner as to prevent soil erosion and soil loss.

i. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee shall have a reasonable time, but not to exceed 180 days after the expiration of the primary term or cessation of production or any other fee determinable event, in which to remove all property and fixtures placed by Lessee on said land except as provided for herein.

j. Lessee, its heirs or assigns, agrees that all pits used in connection with its operations hereunder shall be lined with plastic to prevent contamination of any and all waters in, on and under said lands.

k. When this lease is abandoned by Lessee, Lessee, its successors and assigns, agree to plug all wells drilled on said premises in accordance with the rules and regulations promulgated by the Railroad Commission of Texas or any other regulatory agency having such jurisdiction.

l. Lessee hereby agrees that with regard to all wells drilled on the leased premises, a sufficient amount of surface casing shall be set and cemented to properly protect all fresh water formations which are now, or may be, source of water supply.

"Sufficient amount of casing" shall mean that amount of surface casing required to reach the depth recommended by the appropriate government agency having jurisdiction to protect all fresh water formations which are currently found, or may be found, on the leased premise.

m. Where Lessee's equipment may cause ruts or tracks in drilling or production operations, Lessee shall repair said damage in a reasonable time.

n. Where required by Lessor, Lessee will bury all flowlines and pipelines in accordance with the following

standards and specifications. All pipelines and flow lines and other appropriate lines not on well site location shall be laid thirty-six (36) inches beneath the surface of the ground and shall be double ditched and water packed. In laying pipelines or other necessary lines, the soil shall be removed separately for the full width of the line trench to a depth of not less than twelve (12) inches or the depth of the top soil, whichever is less, and such top soil shall be replaced on top of the backfill for such trench. Whenever Lessee removes rocks or caliche from a trench located on leased premises, Lessee shall place all such rock and caliche back into the trench at least twelve (12) inches below the surface elevation or, in its discretion, Lessee may remove such rock and caliche from the leased premises. Rock, as defined herein, shall not include sand or gravel or rocks less than two (2) inches in diameter. After the construction of any line and after any excavation in connection with the maintenance, repair or removal of any line, the contour of the ground shall be restored as nearly as practicable to the original condition and maintained so that neither wind nor water erosion results from the location of such line or any of the activities of Lessee hereunder. Buried flowlines or pipelines shall follow the roads wherever possible.

o. All operations hereunder shall as reasonably and practical as possible be conducted so as to cause the least inconvenience and interference with surface use and the most practicable accommodation with other surface users.

p. Lessee shall consult with Surface Owner as to the location of tank batteries and roadways in advance of their construction, and shall locate the same in accordance with the reasonable agreement of the parties. At all times while this lease is in effect, all drill site locations shall be maintained and kept free and clear of all weeds, mesquite and other phreatophytes.

q. In the event soil on the leased premises is damaged as a result of Lessee's operations from spillage, leakage, dumping, pumping or draining of salt water, oil or other chemicals, then Lessee agrees to clean up and to restore and reseed the soil and to restore the soil to as near its original condition as is reasonably possible.

r. Upon abandonment of the leased premises as a result of the drilling of a dry hole or the cessation of production, Lessee shall restore the surface of the leased premises to as nearly as reasonable practicable its conditions prior to commencement or operations. Such restoration shall include the removal of caliche and other base materials brought in by Lessee and put down for well location pads, tank battery sites and roadways, removal of debris incident to the operations, the removal of all foreign substances and materials contained within slush pits and the leveling and filling of such slush pits.

s. No drilling or reworking operations shall take place less than 300 feet from a residence or improvement of any kind located on the premises at the time of execution of this lease.

t. This lease covers oil, gas and all associated hydrocarbons produced from the well bore with oil, gas, and casinghead gas only and all other references to other minerals are hereby deleted. It is hereby understood and agreed that Lessor shall receive 1/5 royalty for sulphur or other components extracted from the well bore and produced by Lessee.

u. If for any reason beyond the control of Lessee, a well or wells located on the above described land and capable of producing gas in paying quantities is or are shut in at any time after the expiration of the primary term of this lease for a period of sixty (60) consecutive days, during which time oil or gas is not otherwise being produced hereunder, Lessee may on or before the expiration of said sixty-day period, pay or tender to the owners thereof, or to the credit of the owners in the _____ Bank at _____, Texas, which bank and its successors are Lessor's agents, and shall continue as the depository for all such payments payable hereunder regardless of any devolution, change or division of the ownership of said land or payments, a sum equal to Five Dollars (\$5.00) times the number of net mineral acres which are then covered by this lease, but in no event to be less than \$1,200.00 per annum for each shut in well capable of producing gas or oil in paying quantities; and if such payments are timely made, it shall be considered under the provisions of this lease that gas or oil is being produced from the leased premises in paying quantities for one (1) year from the date the first such well was shut in, and upon a like payment on or before such date each succeeding year, it will be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities for the year immediately following; however, the right to extend this lease in this manner may not be utilized to extend this lease for a period of more than five (5) years cumulatively from the date of the lease. For example, if after production was established, the well was shut in for a period of three years and the lease was perpetuated by the payment of shut in royalties and thereafter production was resumed; Lessee would have the ability perpetuate the lease only for a total period of two more years (successive or otherwise) through the payment of shut in royalties. However, if any well is shut in, in excess of three years, the shut in royalty to extend the lease for the fourth and fifth years as provided herein will be calculated at the rate of \$10.00 times the number of net mineral acres which are then covered by this lease, but in no event to be less than \$2,400.00 per annum for each shut in well capable of producing gas in paying quantities.

v. In the event of a partial termination of this lease under the provisions hereof, Lessee, upon request of Lessor, shall execute unto Lessor a good and sufficient partial release of this lease as to all lands and all substances which shall have expired under the provisions hereof.

w. Nothing expressed or implied in this lease shall relieve Lessee of any otherwise existing duty of development.

x. Initial settlement with the Lessor for the royalty on oil and/or gas that is first sold to the first purchaser or used off the premises shall be made by the Lessee and/or the Lessee's heirs, successors or assigns on or before the 30th day of the fourth calendar month after the calendar month such producing well was completed as shown by the Form W-2, Railroad Commission of Texas, Oil and Gas Division, Oil Well Potential Test, Completion of Recompletion Report and Log, or such other report required by an applicable successor governmental agency that shows the date of completion of such well. Thereafter, settlement with Lessor for the royalty on all oil and/or gas that is sold to the first purchaser after the first sale or used off the premises after the first sale shall be made by the Lessee and/or the Lessee's heirs, successors or assigns on or before the 30th day of second calendar month for the oil and/or gas sold or used off the premises during the preceding calendar month. The amount of the settlement for royalty on oil and/or gas sold or used off the premises shall bear interest at the rate of eighteen percent (18%) per annum from the applicable settlement dates set forth herein. No provision of this lease shall require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law to be charged by the Lessor to the Lessee or the Lessee's heirs, successors or assigns. If any excess of interest in such respect is provided for herein, or shall be adjudicated to be provided for herein, the Lessee

or the Lessee's heirs, successors and assigns shall not be obligated to pay such interest in excess of the amount permitted by applicable law to be charged at such time by the Lessor in this lease to the Lessee in this lease or to the Lessee's heirs, successors or assigns, and the right to demand the payment of any such excess interest shall be and hereby is waived, and this provision shall control any other provisions of this lease. Any payment of interest in excess of the maximum amount permitted by applicable law shall be considered as a mistake and the excess thereof over such maximum amount shall be returned to the Lessee or the Lessee's heirs, successors or assigns within thirty (30) days after such excess payment has been called to the attention of the Lessor by the Lessee or the Lessee's heirs, successors or assigns.

y. Lessee obligates itself that all royalties accruing under this lease shall be paid without deduction for the cost of producing, storing, separating, treating, dehydrating, and otherwise making the oil, gas and other products produced hereunder marketable.

z. At Lessor's option, Lessee shall purchase any caliche to be used on the premise from Surface Owner at market price but in no event less than \$2.50 per yard.

a.a. Whenever used in this Lease, the words "drilling operation" or "operations" shall mean operations for and any of the following: pad construction, drilling, testing, completing, reworking, recompleting, deepening, side tracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas.

b.b. Continuous drilling operations shall mean that not more than one hundred and eighty (180) days shall expire between the completion as a producer of the abandonment as a dry hole of a preceding well after the expiration of the primary term and the commencement of operations for the drilling of the next succeeding well to the development of the Leased premises to the density of maximum allowable production.

If Lessee fails to conduct continuous drilling operations on the Leased premises, this Lease shall thereupon terminate as to all of the Leased premises, except:

- (1) Surrounding each well theretofore completed and then producing only oil or oil and casinghead gas in paying quantities or classified by any governmental authority authorized to so classify such well for proration purposes as an oil well, that number of acres prescribed or permitted by such governmental authority to be allocated to such well to entitle such well to receive the maximum allowable production, and to a depth of 100 feet below the deepest of all wells drilled and then capable of producing in paying quantities under the provisions of this lease.
- (2) Surrounding each well theretofore completed and then producing gas (excluding casinghead gas) or classified by such governmental authority as a gas well, that number of acres prescribed or permitted by such governmental authority to be allocated to such well to entitle such well to receive the maximum allowable production, and to a depth of 100 feet below the deepest of all wells drilled and then capable of producing in paying quantities under the provisions of this lease.

c.c. Lessor warrants and agrees to defend the title to Lessor's mineral interest that is subject to this Lease against the lawful claims and demands of all persons claiming or to claim the same, or any part thereof, by, through, or under Lessor, but not otherwise.

This Oil, Gas and Mineral Lease may be executed in multiple counterparts each of which shall be deemed an original as to each party executing it.

Signed for identification:

M G Carter

Marion G. Carter aka M.G. Carter

FILED
AT 2:30 O'CLOCK P M
ON THE 7 DAY OF July
A.D., 2008
INS. NO. 3100

Rebecca Batla
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 Batla
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS
VOL. 118 PAGE 018
RECORDED July 7, 2008

3099

PAID-UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 15th day of January, 2008, between between ^{MELISSA M} Hugh Bryan Schafer and Norvella Ann Schafer, husband and wife, and William R. Schafer, Jr., Jerry John Schafer and ^{MELISSA M} Melissa Beth Jordan, each dealing respectively in their sole and separate property, c/o Hugh B. Schafer, 2801 Ranch Road 33, Big Spring, TX 79720-7810, as Lessor (whether one or more), and Touchwood Resources, LLC, PO Box 197, Midland, Texas 79702, as Lessee.

1. **Description** In consideration of the sum of Ten and no/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration and the covenants herein contained, Lessor hereby grants exclusively to Lessee the following described land (use attachment for long descriptions):

East 160 acres of Section 44 SAVE AND EXCEPT a tract of 5.4 acres under State Highway 33;
N2 and SW4 of Section 40,
all in Block 33, Township 2 South, T&P Ry Co Survey

See Exhibit "A" attached hereto for further terms and conditions

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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.

in the Counties of Glasscock, State of Texas, containing -634.60- acres, more or less, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbons and non-hydrocarbon substances produced in association therewith. The term "gas" as used herein includes hydrocarbon gases. In addition to the above-described land, this lease also covers accretions of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described land, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered.

2. **Terms of Lease** This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith, or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty Payment** Royalties on oil and gas produced and sold hereunder shall be paid by Lessee to Lessor as follows: a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-fifth (1/5) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same or nearest field for production of similar grade and gravity; b) For gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-fifth (1/5) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the costs incurred by Lessee in delivering, processing or otherwise making such gas or other substance merchantable, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same or nearest field pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and c) If a well on the leased premises or lands pooled therewith is capable of producing gas (including casinghead gas) but such well is either shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor, and if this lease is not otherwise maintained in effect, such well shall nevertheless be considered as though it were producing gas in paying quantities for the purpose of maintaining this lease, whether during or after the primary term. If Lessee pays shut-in royalty of Two Dollars per acre then covered by this lease, such payment to be made to Lessor on or before the next ensuing anniversary date of this lease, or within 90 days after such anniversary date, and thereafter on or before each anniversary date hereof while the well is shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor. For the purpose of calculating shut-in royalties, the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less.

4. **Operations** If at the end of the primary term or at 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, deepening, 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 120 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.

5. **Pooling** Lessee shall have the right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to oil or gas or both, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, when such pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well shall not exceed 320 acres plus a maximum acreage tolerance of 10%, except that larger units may be formed for oil wells or gas wells to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production produced and saved which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee must terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. The restrictions and requirements of this Paragraph 5 shall not apply to compulsory pooling of interests effected by operation of law or by order of any governmental authority having jurisdiction, but all other references to pooling contained in this lease shall include such compulsory pooling as well as pooling effected under this Paragraph 5.

6. **Lessor Interest** If Lessor owns less than the entire and undivided mineral estate in the above-described land or any portion thereof, the royalties and shut-in royalties herein provided shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided mineral estate in said land or portion thereof.

7. **Ownership Changes** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of

Lessee hereunder, and no change in ownership shall be binding on Lessee until 45 days after Lessee has been furnished certified copies of the documents effecting such change, or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order, which Lessor hereby agrees to execute prior to the payment of royalties hereunder. In the event of the death of any person entitled to shut-in royalty hereunder, Lessee may pay such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay such shut-in royalties to such persons jointly, or separately in proportion to the interest in which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to the interest not so transferred.

8. **Release of Lease.** Lessee may, at an time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder, and for such purpose the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less.

9. **Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or substances produced on the leased premises, except water from Lessor's wells or ponds. The right of ingress and egress granted hereby shall apply to the entire leased premises notwithstanding any release or other termination affecting any portion thereof. When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth. No well shall be located less than 200 feet from any house or barn now on the leased premises without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises, and to timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease or within 180 days.

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

11. **Breach or Default.** No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period.

12. **Warranty of Title.** Lessor hereby warrants and agrees to defend Lessee's title hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If it exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder until Lessee has been furnished satisfactory evidence that such claim has been resolved in Lessor's favor.

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

WITNESSES AND/OR ATTESTATION

LESSOR (WHETHER ONE OR MORE)

Hugh B. Schafer
 Hugh Bryan Schafer, husband of Norvella Ann Schafer

Norvella Ann Schafer
 Norvella Ann Schafer, wife of Hugh B. Schafer

William R. Schafer, Jr.
 William R. Schafer, Jr., dealing in his sole and separate property

Jerry John Schafer
 Jerry John Schafer, dealing in his sole and separate property

Melina Beth Jordan
 Melina Beth Jordan, dealing in her sole and separate property

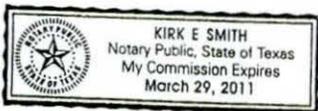
MELISSA NG

ACKNOWLEDGMENTS

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
Hugh Bryan Schafer and Norvella Ann Schafer, husband and wife



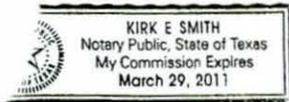
Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
William R. Schafer, Jr.



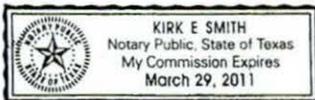
Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
Jerry John Schafer



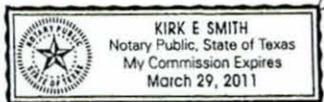
Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

STATE OF TEXAS §

COUNTY OF Glasscock §

The foregoing instrument was acknowledged before me on this 22nd day of December 2007 by
~~Melissa Beth Jordan~~
MELISSA A JORDAN



Kirk E. Smith
Notary Public in and for the State of TEXAS

My commission expires: _____

7,

File No. MF 112163

Lease

Date Filed: 1/5/11

Jerry E. Patterson, Commissioner

By [Signature]

1. 2. 3.



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 7.521 acre tract in Section 44, Block 33, Township 2 South, T&P Ry Co. Sy., Glasscock County, Texas, more fully described in Vol. 56, Pg. 239, dated October 17, 1945, by and between John Schafer and wife Ellen Schafer, (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,



Andy Torres
Landman
Ext. 121
andytorres@veritas321.com

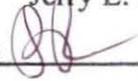
8.

File No. MF 112163

Letter

Date Filed: 2/11/11

Jerry E. Patterson, Commissioner

By 



FACSIMILE

Texas General Land Office • Jerry Patterson • Commissioner

Date: 4-21-11

To: *Andy Jones* From: Beverly Boyd
Company: *Veritas 321* Sender's Fax No.: 512-475-1543
Fax No.: *432-684-4741* Sender's Phone No.: 512-463-6521
Phone No.: Pages: *6*
Re: HROW Lease # *112163*
Masscock Co

Notes:

See attached HROW Lease; please remit bonus and processing fee, which is 1 1/2% of the bonus to:

George Martin
Texas General Land Office
Energy Resources
PO Box 12873
Austin, TX 78711-2873
512-475-1512

Please include the above referenced lease number with your remittance.

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. MF112163

Jerry Sheet

Date Filed: 4/21/11

Jerry E. Patterson, Commissioner

By [Signature]

VERITAS 321 ENERGY PARTNERS, LP

009627

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

5/6/2011

1,128.15

5 10 11
APA201115L

11710471

(WNB) Veritas 321 EP APA201115L

X 121
1,128.15



mf112163

May 12, 2011

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

7.521 ACRES OF LAND, MORE OR LESS, SITUATED IN SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P 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 009627** made payable to you in the amount of **\$1,128.15** for your share of the bonus consideration plus the 1.5% processing fee. (*7.5210 net acres x \$150.00 flat fee per net acre + \$16.92 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

7.521 ACRES OF LAND, MORE OR LESS, SITUATED IN SECTION 44, BLOCK 33, TOWNSHIP 2 SOUTH, T&P 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 009627** made payable to you in the amount of **\$1,128.15** for your share of the bonus consideration plus the 1.5% processing fee. (*7.5210 net acres x \$150.00 flat fee per net acre + \$16.92 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.

45401111

File No. NF 112163

Letter bonus

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

By [Signature]

45401111

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) $\$67.80$
- 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

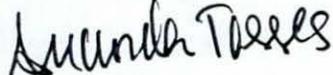
Dear Mr. Martin:

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.

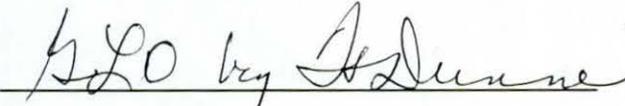
Please acknowledge your receipt hereof by signing in the space provided below and returning one copy of this letter to the undersigned in the envelope provided.

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

Sincerely,


Amanda Torres
Lease Analyst
Extension 126

Received this 6th day of June, 2011.


George Martin

11.

File No. MF 112163

Filing fee

Date Filed: 6/6/11

Jerry E. Patterson, Commissioner

By JR

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

PA12-294

Unit Number 5476
Operator Name APACHE CORPORATION *Effective Date* 3/1/2011
Customer ID C000023272 *Unitized For* Oil & Gas
Unit Name Palometa 44 #2 *Unit Term* 0 Months
County1 Glasscock
County 2 Old Unit Number Inactive Status Date
County 3 0
RRC District: 08 0
Unit Type: Permanent 0
State Royalty Interest: 0.0000210000 0
State Part in Unit: 0.0001050000
Unit Depth All *Well:* Unit
Below Depth 0 *Formation:* Spravherr (Trend Area)
Above Depth 0 *Participation Basis:* Surface Acreage
[If Exclusions Apply: See Remarks]

MF Number MF112163 *Tract Number* 5
Lease Acres 0.0090048 / *Total Unit Acres* 85.76 =
Tract Participation: 0.0001050 X
Lease Royalty 0.2 = *Manual Tract Participation:* [] 0 | See Remark
Tract Royalty Participation 0.0000210 *Manual Tract Royalty:* [] 0

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

API Number

421733406600

RRC Number

0

Remarks:

HROW Unit-Lease acres from Apache Title Opionion, State acres in unit is 0.0090048. Sprayberry (Trend Area)

Prepared By:

B Boyd

GLO Base Updated By:

B Boyd

RAM Approval By:

JL

GIS By:

Prepared Date:

5-31-12

GLOBase Date:

5-31-12

RAM Approval Date:

6-25-2012

GIS Date:

EXHIBIT "A"

Attached to and made part of Declaration of the Apache Deepwater LLC and Apache Corporation – Palometa 44 Unit #2 Pooled Unit

Date: January 15, 2008
Recording: Book/Vol. 0118, Page 018, Official Public Records of Glasscock Co., Texas
Lessor: **Marion G. Carter aka M.G. Carter, dealing in his sole and separate property**
Lessee: Touchwood Resources, LLC

Date: January 15, 2088
Recording: Book/Vol. 0118, Page 011, Official Public Records of Glasscock Co., Texas
Lessor: **Hugh Bryan Schafer and Norvella Ann Schafer, husband and wife; and William R. Schafer, Jr., Jerry John Schafer, and Melissa Beth Jordan, each dealing respectively in their sole and separate property**
Lessee: Touchwood Resources, LLC

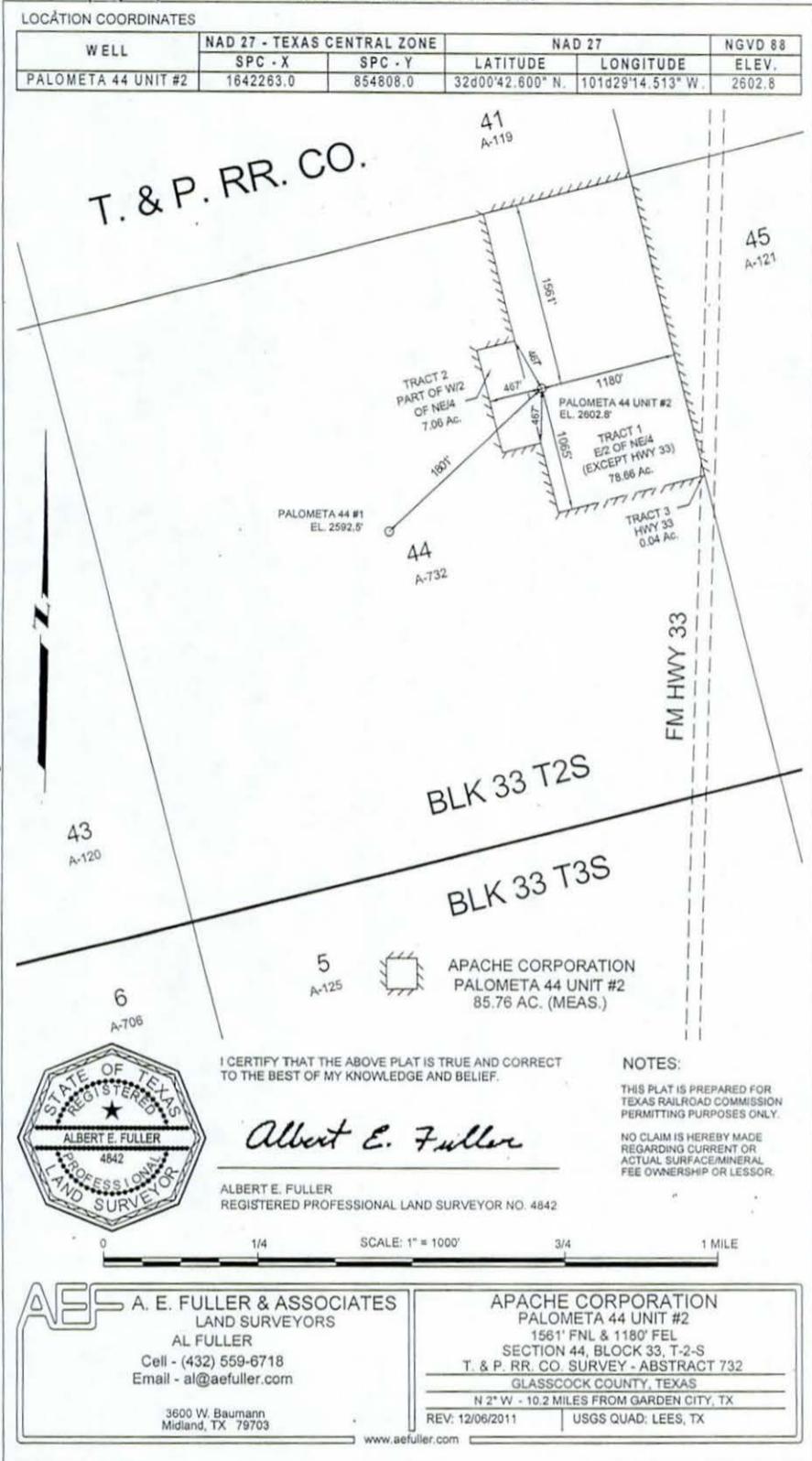
Date: April 5, 2011
Recording: Book/Vol. 169, Page 139, Official Public Records of Glasscock Co., Texas
Lessor: **The Commissioner of the General Land Office of the State of Texas**
Lessee: Apache Corporation



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

Page 2 of 3

Attached to and made a part of Declaration of Apache Deepwater LLC and Apache Corporation - Palometa 44 Unit #2 Pooled Unit



I CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Albert E. Fuller

ALBERT E. FULLER
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4842

NOTES:
THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.
NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE/MINERAL FEE OWNERSHIP OR LESSOR.

SCALE: 1" = 1000'

A. E. FULLER & ASSOCIATES
LAND SURVEYORS
AL FULLER
Cell - (432) 559-6718
Email - al@aefuller.com
3600 W. Baumann
Midland, TX 79703
www.aefuller.com

APACHE CORPORATION
PALOMETA 44 UNIT #2
1561' FNL & 1180' FEL
SECTION 44, BLOCK 33, T-2-S
T. & P. RR. CO. SURVEY - ABSTRACT 732
GLASSCOCK COUNTY, TEXAS
N 2° W - 10.2 MILES FROM GARDEN CITY, TX
REV: 12/06/2011 | USGS QUAD: LEES, TX

FILED
AT 11:00 O'CLOCK A M
ON THE 22 DAY OF Dec
A.D., 2011
INS. NO. 9483

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
BY *Mana Wilde*
DEPUTY

Rebecca Batla
County Clerk, Glasscock County, Texas
OFFICIAL PUBLIC RECORDS
VOL. 181 PAGE 177
RECORDED Dec 22, 2011

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 OPR Records of my office, found in VOL. 181, PAGE 177.

True and correct copy of original filed in the Glasscock County Clerks Office
Page 3 of 3

I hereby certified on 30 March 2012
REBECCA BATLA, COUNTY & DISTRICT CLERK
GLASSCOCK COUNTY, TEXAS
BY *Rebecca Batla* DEPUTY



1/1/2012

REGARDING: Property: 01559101 PALOMETA #2-44

Dear Royalty Owners:

Please be advised that the ownership in the Palometa #2-44 has been **corrected** in our records.

This well is a Pooled Unit operated by APA Deepwater (Apache Affiliate).

The correction was made in the 0.04 pooled acreage of Tract 3, Section 44, Block 33, T 2S, T&P RY Co Survey. We were under the impression that only the State of TX had an interest in this small portion of the pooled acreage, but we have found in our research that other owners have an interest in this small portion of the acreage and we have modified the interest of the owners who were entitled to a tiny increase in their decimal.

The Property Number 01559101 will remain the same on future disbursements.

Very truly yours,

Stacey McHenry

Stacey McHenry, DOI Analyst III
Apache Corporation
713.296.7044 Phone / 713.296.6453 Dept. Fax
Stacey.mchenry@apachecorp.com

*What is
acreage?*



12/28/11

REGARDING: Property: 01559101 PALOMETA #2-44

Dear Royalty Owners:

Please be advised that the Palometa #2-44 has been set up on our records.

This well is a Pooled Unit operated by APA Deepwater (Apache Affiliate).

Its spacing is comprised of:

78.66 acres in Tract 1, Section 44, Block 33, T 2S, T&P RY Co Survey (E/2 of NE/4)
07.06 acres in Tract 2, Section 44, Blk 33, T 2S, T&P RY Co Survey (Part of the W/2) &
00.04 acres of State Hwy in Tract 3, Section 44, Block 33, T 2S, T&P RY Co Survey, in
which only the State of TX has an interest in.

As a result, Royalty Interests in the 3 Tracts of land have been combined; which could result in a reduced interest **if an owner does not own mineral rights in each tract.**

For your records, we have enclosed a copy of the Plat Map that identifies the spacing for this pooled unit.

Very truly yours,

Stacey McHenry

Stacey McHenry, DOI Analyst III

Apache Corporation

713.296.7044 Phone / 713.296.6453 Dept. Fax

Stacey.mchenry@apachecorp.com

The State of Texas

BOOK 169

PAGE

139

HRW Lease
Revised 8/06



#7574

Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 112163)
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 One Hundred Twenty Eight 15/100 (\$ 1,128.15)** 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:

7.521 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 **7.521** 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 **1/5** 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 **1/5** 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 **1/5** 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 **1/5** 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, State Highway 33.

7.521 acres of land, more or less, situated in Section 44, Block 33, T-2-S, T&P RR Co. Survey. Said lands being described in the following deed filed in the Deeds of Record, Glasscock Co.

Deed John Schafer and wife Ellen Schafer to the State of Texas

Date: 10/17/1945 and recorded in Vol. 56, P. 239 of the Deed Records, Glasscock County, Texas

T&P RR CO
A-119

T&P RR CO
A-732

T&P RR CO
A-121

44

MF112163

T&P RR CO
A-125

T&P RR CO
A-703

Road 4509

MARTIN	HOWARD
GLASSCOCK	
UPTON REAGAN	

Map Showing a Buffer of
St. Hwy 33
7.521 acres
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
Zake Guillen
IS/BASGIS
8/20/18 10:14



FILED

AT 10:00 O'CLOCK A. M.
ON THE 24 DAY OF June
A.D., 2011
INS. NO. 7574

Rebecca Batla

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY *Wendy 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. 169 PAGE 139

RECORDED June 24, 2011



OIL AND GAS DIVISION ORDER

Date: 01/18/2012

TO: APACHE CORPORATION ("Payor")
ONE POST OAK CENTRAL
2000 POST OAK BOULEVARD
SUITE 100
HOUSTON, TX 77056-4400

01559101/00002.1
PALOMETA #2-44 ALL

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.

THIS COPY FOR YOUR FILE

WITNESS NAME

SIGNATURE OF INTEREST OWNER

WITNESS NAME

742079879

SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

4326844404

COMMISSIONER OF THE GENERAL LAND O
0085439001

OWNER TELEPHONE NUMBER

STEPHEN F AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN TX US 78701

Property: 01559101/00002 PALOMETA #2-44 ALL
State: TEXAS County/Parish: GLASSCOCK

Venture Number: 023018

<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	0.00002100	3/1/2011

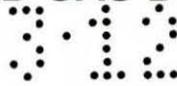
Legal Description:

TX GLASSCOCK T&P RR CO ABST/ID# 732 Twsp 2S Blk 33 Sec 44

OIL AND GAS DIVISION ORDER

Date: 12/28/2011

TO: APACHE CORPORATION ("Payor")
ONE POST OAK CENTRAL
2000 POST OAK BOULEVARD
SUITE 100
HOUSTON, TX 77056-4400



01559101/00001.1
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SIGN AND RETURN COPY

WITNESS NAME

SIGNATURE OF INTEREST OWNER

WITNESS NAME

742079879

SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

4326844404

COMMISSIONER OF THE GENERAL LAND O
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OWNER TELEPHONE NUMBER

STEPHEN F AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN TX US 78701

Property: 01559101/00001 PALOMETA #2-44 ALL
State: TEXAS County/Parish: GLASSCOCK

Venture Number: 023018

<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	0.00009328	3/1/2011

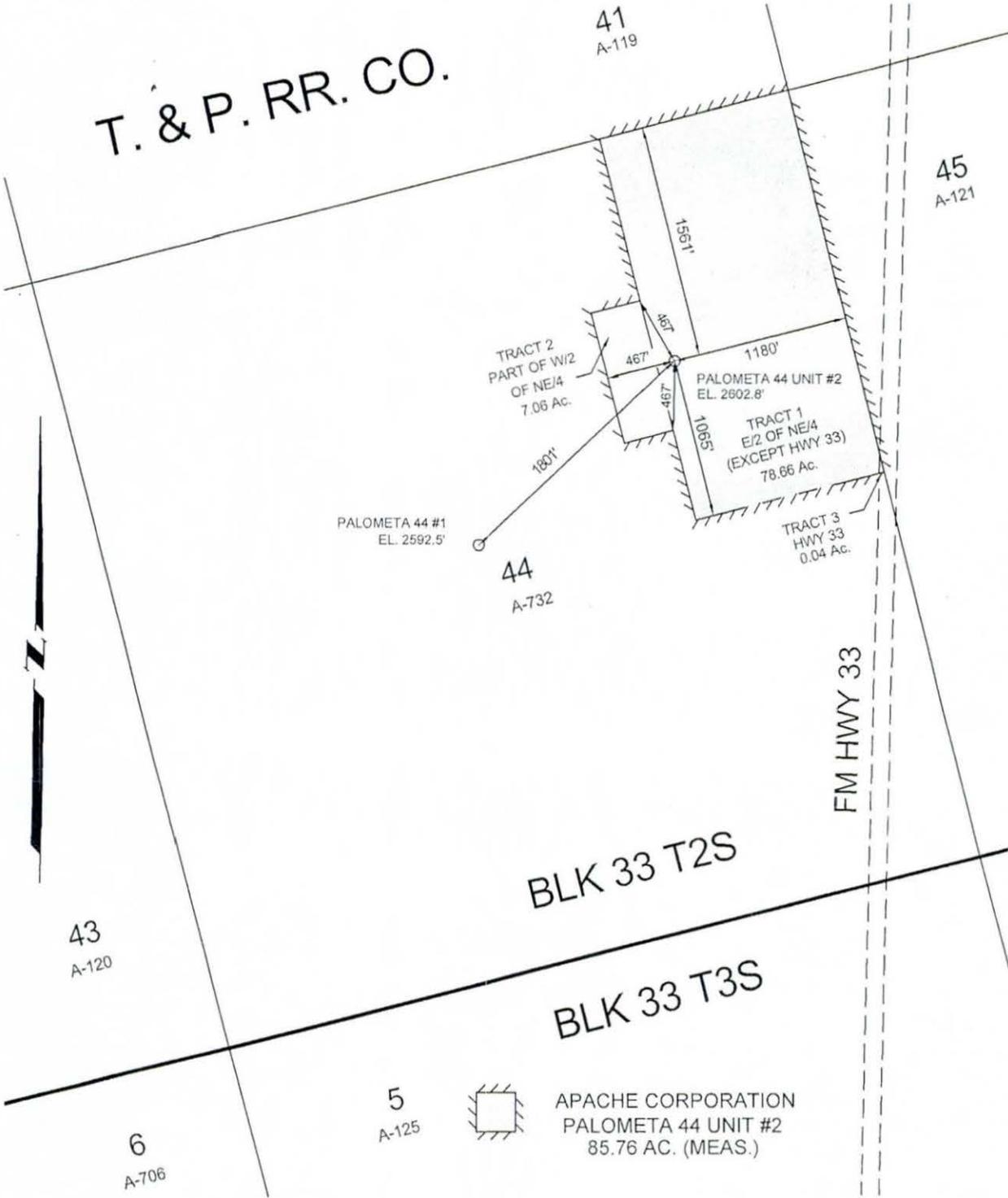
Legal Description:

TX GLASSCOCK T&P RR CO ABST/ID# 732 Twsp 2S Blk 33 Sec 44

1 3 1 2

LOCATION COORDINATES

WELL	NAD 27 - TEXAS CENTRAL ZONE		NAD 27		NGVD 88
	SPC - X	SPC - Y	LATITUDE	LONGITUDE	ELEV.
PALOMETA 44 UNIT #2	1642263.0	854808.0	32d00'42.600" N.	101d29'14.513" W.	2602.8



I CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Albert E. Fuller

ALBERT E. FULLER
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4842

NOTES:
THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.

NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE/MINERAL FEE OWNERSHIP OR LESSOR.



<p>AEF A. E. FULLER & ASSOCIATES LAND SURVEYORS AL FULLER Cell - (432) 559-6718 Email - al@aefuller.com 3600 W. Baumann Midland, TX 79703</p>	<p>APACHE CORPORATION PALOMETA 44 UNIT #2 1561' FNL & 1180' FEL SECTION 44, BLOCK 33, T-2-S T. & P. RR. CO. SURVEY - ABSTRACT 732 GLASSCOCK COUNTY, TEXAS N 2° W - 10.2 MILES FROM GARDEN CITY, TX REV: 12/06/2011 USGS QUAD: LEES, TX</p>
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www.aefuller.com

From: "Hope, Tish" <Tish.Hope@apachecorp.com>
To: "ronald.widmayer@glo.texas.gov" <ronald.widmayer@glo.texas.gov>
Date: 5/29/2012 2:40 PM
Subject: FW: Palometa 44#2
Attachments: palometa 44 #2.pdf

Hi Ron

Please see attachment. If you have any questions please let me know.

Thanks and have a great day,
Tish Hope

From: Hope, Tish
Sent: Tuesday, May 29, 2012 1:57 PM
To: Susan.Wauer@GLO.TEXAS.GOV; James Ybarbo (James.Ybarbo@GLO.STATE.TX.US)
Subject: Palometa 44#2

Hi Guys,

Attached is the pooling agreement for Palometa 44 Lease. Could you please give me a GLO Unit # for this lease. If you have any questions please let me know.

Thanks,
Tish Hope
Apache Corporation
Compliance Royalty
713 -296- 6845

- TISH -

Called
ZX 5/30

- Back-into 0.000021 -

use 0.0090048 TOTAL State ac.

12

File No. 112163

W.D. + Buckley

Date Filed: 4/13/12

By: Jerry E. Patterson, Commissioner
GJK