

MF112866

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF112866	56-030239		GLASSCOCK

<i>Survey</i>	HIGHWAYS & PUBLIC TRANSPORTATION DE	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>		
<i>Part Description</i>	HIGHWAY RIGHT-OF-WAY	
<i>Acres</i>	21.2	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>

<i>Name</i>	COG OPERATING LLC
<i>Lease Date</i>	7/19/2011
<i>Primary Term</i>	1 yrs
<i>Bonus (\$)</i>	\$6,360.00
<i>Rental (\$)</i>	\$0.00
<i>Lease Royalty</i>	0.2500

Leasing:
Analyst:
Maps:
GIS:
DocuShare:



CONTENTS OF FILE NO. MF- 112866

1. Lease	5/26/11
2. Blats	5/26/11
3. Letter, bonus, & fee	5/26/11
4. GLO checklist	5/26/11
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6. Deed	5/26/11
7. Lease	5/26/11
8. Affidavit	5/26/11
9. GLO letter	7/19/11
10. Partial Assign. #8047 from COG operating to Chevron Midcontinent	12/5/11
11. Partial Assign #8048 from COG operating to Tekar Tech	12/5/11
<hr/>	
Scanned	PJC 3-13-13
12. Copy of lease	7.22.13
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Scanned	SM 9/9/13

The State of Texas

HROW Lease
Revised 8/06



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 112866)
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 **COG Operating, LLC**, whose address is **550 West Texas Ave., Suite 100, Midland, TX 79702** hereinafter called "Lessee".

1. Lessor, in consideration of **Six Thousand Three Hundred Sixty and 00/100 (\$ 6,360.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock** State of Texas, and is described as follows:

21.2 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 **21.2** 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 **one year, from July 19th, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

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

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 1,200.00 per well**. 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.

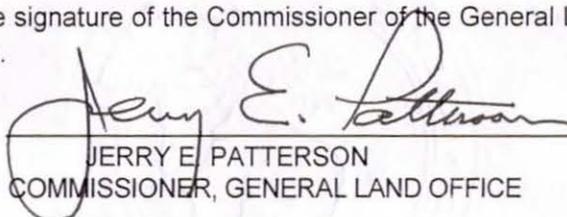
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

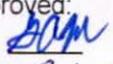
14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities 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: 

LUCHINI & MERTZ
Land Surveying Co.
P.O. BOX 1963
MIDLAND, TEXAS 79702

April 18, 2011

METES AND BOUNDS DESCRIPTION OF
An Approximate 4.9 Acre Tract out of
Section 40, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Beginning at a point on the calculated south line of Section 40, Block 32, T-4-S, T. & P. RR. Co. and in the west right-of-way of Highway 158 for the southwest corner of this tract, from which the calculated southwest corner of said Section 40 bears S 75°26'42" W 1006.49 feet;

Thence N 46°32'09" W, with the west right-of-way fence of Highway 158, 162.99 feet to a point in the west right-of-way fence of Highway 158 at the beginning of a curve to the left;

Thence northwesterly along said curve, having a radius of 5669.58 feet and a central angle of 9°26'00", a distance of 933.46 feet to a point in the west right-of-way fence of Highway 158.

Thence N 55°48'58" W, with the west right-of-way fence of Highway 158, 563.57 feet to a point on the calculated west line of said Section 40 and in the west right-of-way fence of Highway 158 for the most northerly southwest corner of this tract;

Thence N 14°21'20" W, with the calculated west line of said Section 40, 183.19 feet to a point on the calculated west line of said Section 40 and in the east right-of-way fence of Highway 158 for the most northerly corner of this tract;

Thence S 55°42'35" E, with the east right-of-way fence of Highway 158, 702.66 feet to a point in the east right-of-way fence of Highway 158 at the beginning of a curve to the right;

Thence southeasterly along said curve, having a radius of 5789.58 feet and a central angle of 9°26'00", a distance of 953.21 feet to a point in the east right-of-way fence of Highway 158.

Thence S 45°55'12" E, with the east right-of-way fence of Highway 158, 234.23 feet to a point in the east right-of-way fence and on the calculated south line of said Section 40 for the southeast corner of this tract;

Thence S 75°26'42" W, with the calculated south line of said Section 40, 138.48 feet to the point of beginning.

LUCHINI & MERTZ
Land Surveying Co.
P.O. BOX 1963
MIDLAND, TEXAS 79702

April 18, 2011

METES AND BOUNDS DESCRIPTION of
An approximate 16.3 Acre Tract out of
Section 45, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Beginning at a point on the calculated north line of Section 45, Block 32, T-4-S, T. & P. RR. Co. and in the west right-of-way fence of Highway 158 for the most northwesterly corner of this tract, from which the calculated northwest corner of said Section 45 bears S 75°26'42" W 1006.49 feet;

Thence N 75°26'42" E, with the calculated north line of said Section 45, 138.48 feet to a point on the calculated north line of said Section 45 and in the east right-of-way fence of Highway 158 for the most northerly northeast corner of this tract;

Thence S 46°37'12" E, with the east right-of-way fence of Highway 158, 2224.88 feet;

Thence S 46°14'50" E, with the east right-of-way fence of Highway 158, 259.68 feet;

Thence S 49°13'42" E, with the east right-of-way fence of Highway 158, 325.02 feet to a point in the east right-of-way fence of Highway 158 at the beginning of a curve to the left;

Thence southeasterly along said curve, having a radius of 2804.79 feet and a central angle of 36°00'00", a distance of 1762.30 feet to a point in the northeast right-of-way of Highway 158;

Thence S 82°25'01" E, with the northeast right-of-way fence of Highway 158, 1318.10 feet to a point on the calculated east line of said Section 45, and in the northeast right-of-way fence of Highway 158 for the most southerly northeast corner of this tract;

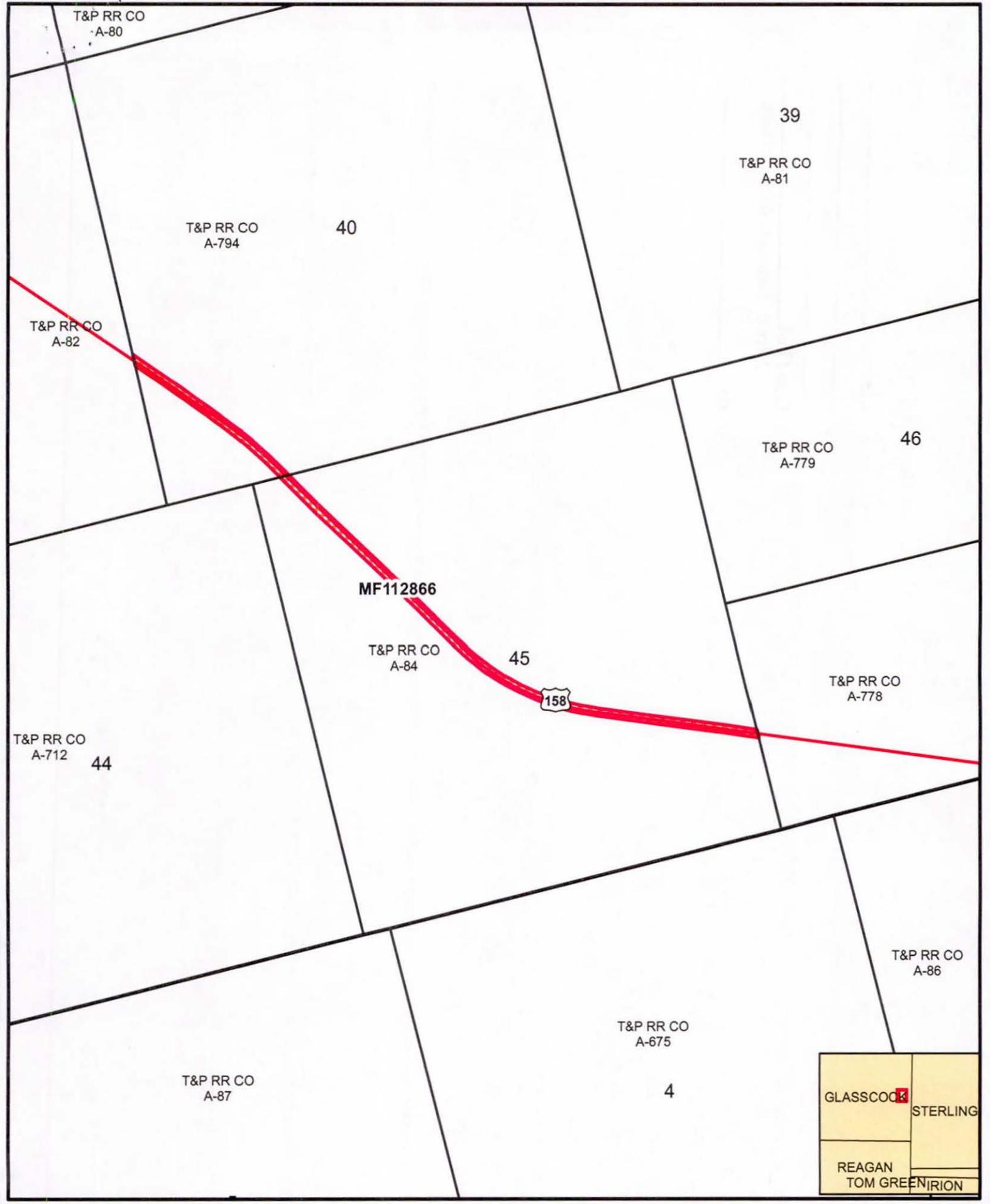
Thence S 14°21'20" E, with the calculated east line of said Section 45, 129.54 feet to a point on the calculated east line of said Section 45 and in the southwest right-of-way of Highway 158, for the most southerly corner of this tract;

Thence N 82°24'23" W, with the southwest right-of-way of Highway 158, 1361.84 feet to a point in the southwest right-of-way fence of Highway 158 at the beginning of a curve to the right;

Thence northwesterly along said curve, having a radius of 2924.79 feet and a central angle of 36°00'00", a distance of 1837.70 feet to a point in the west right-of-way fence of Highway 158;

Thence N 47°09'02" W, with the west right-of-way fence of Highway 158, 1369.77 feet to a point in the west right-of-way fence of Highway 158;

Thence N 46°32'21" W, with the west right-of-way fence of Highway 158, 1517.28 feet to the point of beginning.



Map Showing a Buffer of
 SH 158
 21.2 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.

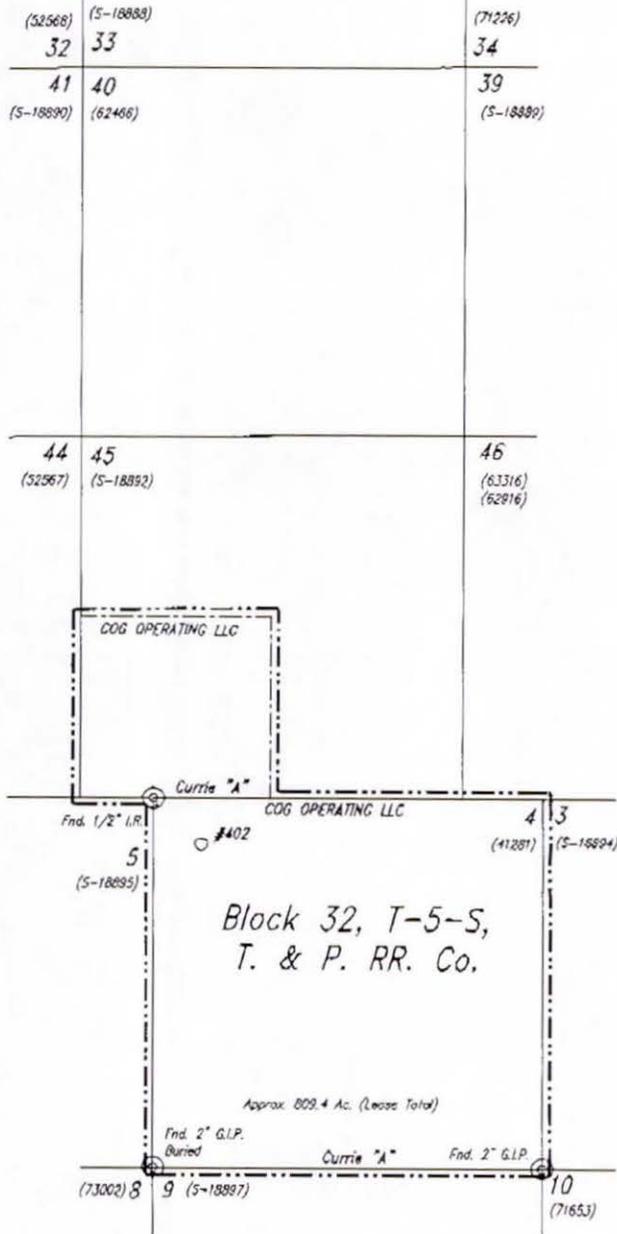
1.
File No. AF 113866

Case

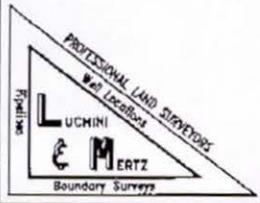
Date Filed: 5/26/11
Jerry E. Patterson, Commissioner

By [Signature]

Block 32, T-4-S,
T. & P. RR. Co.



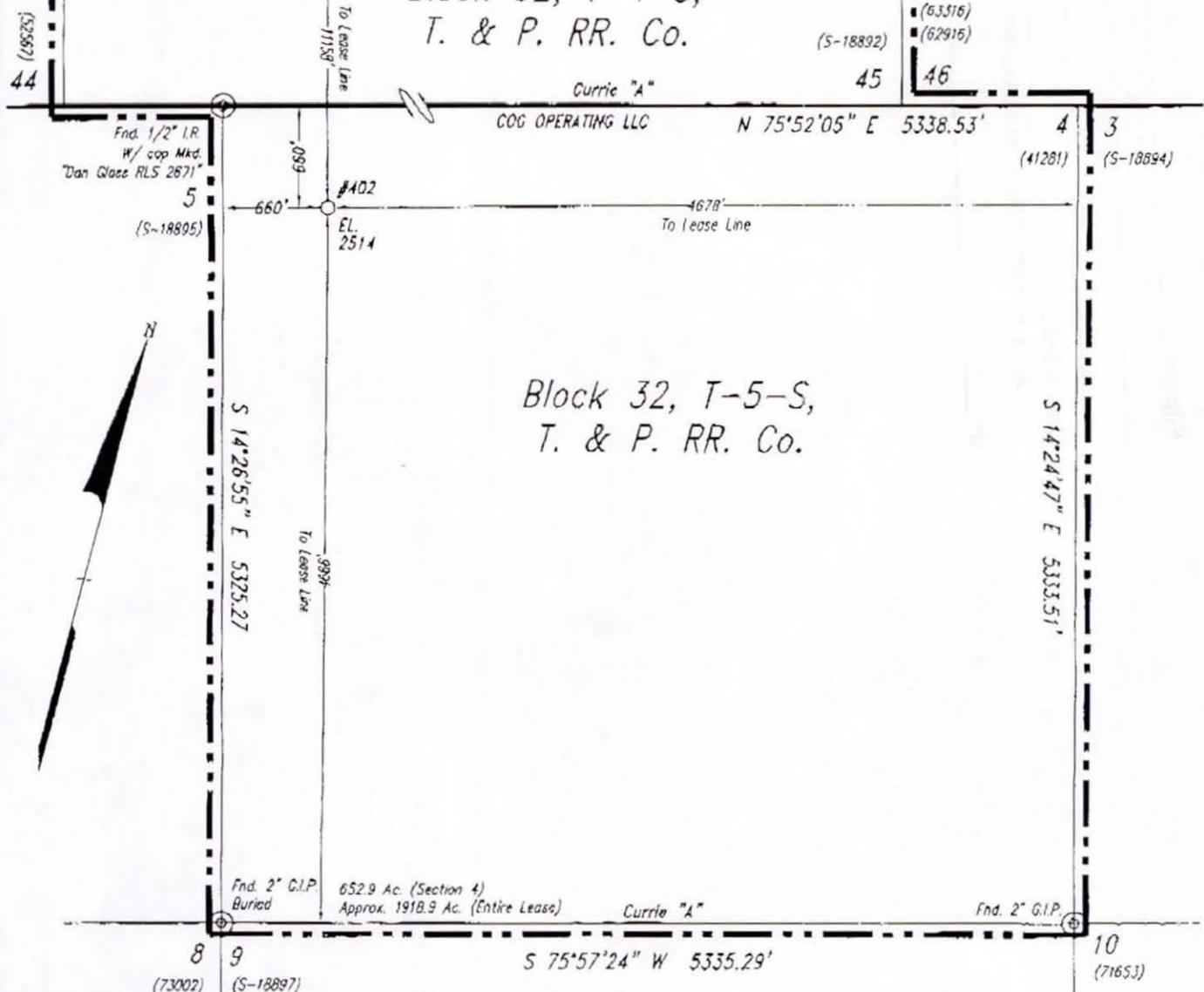
Steven L. Prewit
March 2011
Currie "A" Lease



Railroad Commission Permit Plat
COG OPERATING LLC
Currie "A" Lease
all of Section 4, Block 32, T-5-S, &
the SW/4 of Section 45, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas
Scale: 1" = 2000'

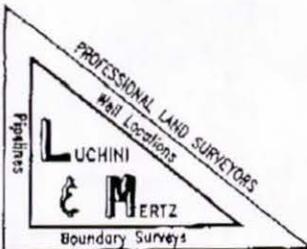
Block 32, T-4-S,
T. & P. RR. Co.

Block 32, T-5-S,
T. & P. RR. Co.



Note: Survey Reconstruction filed in the Office of Luchini and Mertz Land Surveying Company.
 Note: All bearings and coordinates shown are based on the Texas Coordinate System of 1927, Central Zone.
 A combined grid factor of 0.9998511 must be divided into Section Line distances to obtain a true horizontal distance.
 Note: Example: (S-99989) indicates General Land Office file number.
 Note: NAD '27 Coordinates & Latitude/Longitude on well location in Section 4.
 Note: Well location is approximately 11.1 miles southeast of Garden City.

#402
 X: 1697280.39 Latitude - 31.79825347° N
 Y: 776580.74 Longitude - 101.30768262° W
 Latitude - 31°47'53.713"N Longitude - 101°18'27.657"W



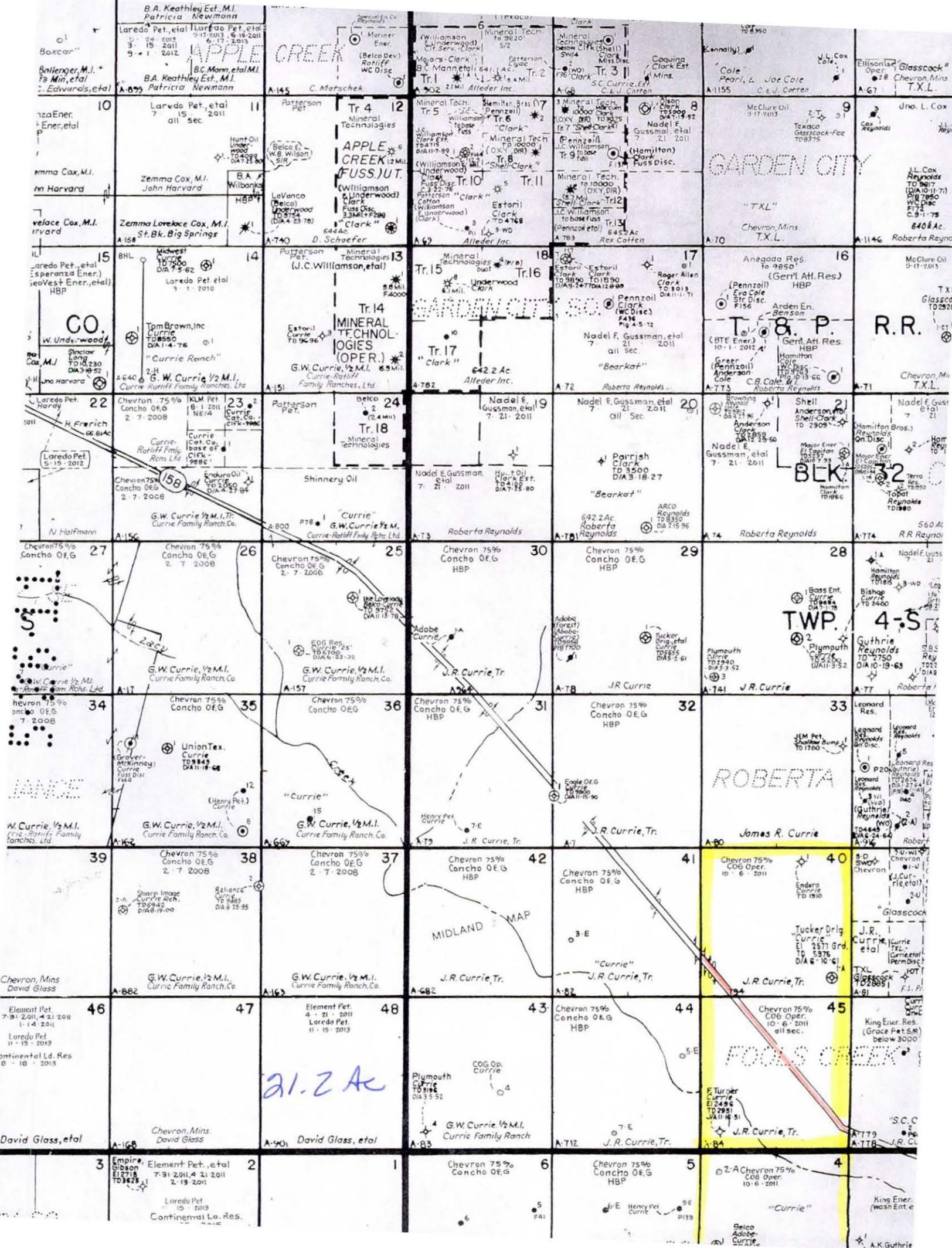
October 13, 2010
 1010138

Railroad Commission Permit Plat
 COG OPERATING LLC
 Currie "A" Lease
 all of Section 4, Block 32, T-5-S, &
 all of Sections 40 & 45, Block 32, T-4-S,
 T. & P. RR. Co.,
 Glasscock County, Texas
 Scale: 1" = 1000'

File No. _____

Date Filed: _____
Jerry E. Patterson, Commissioner

By _____



APPLE CREEK

GARDEN CITY

GARDEN CITY

T. 8. P. R.R.

BLK. 32

TWP. 4-S

ROBERTA

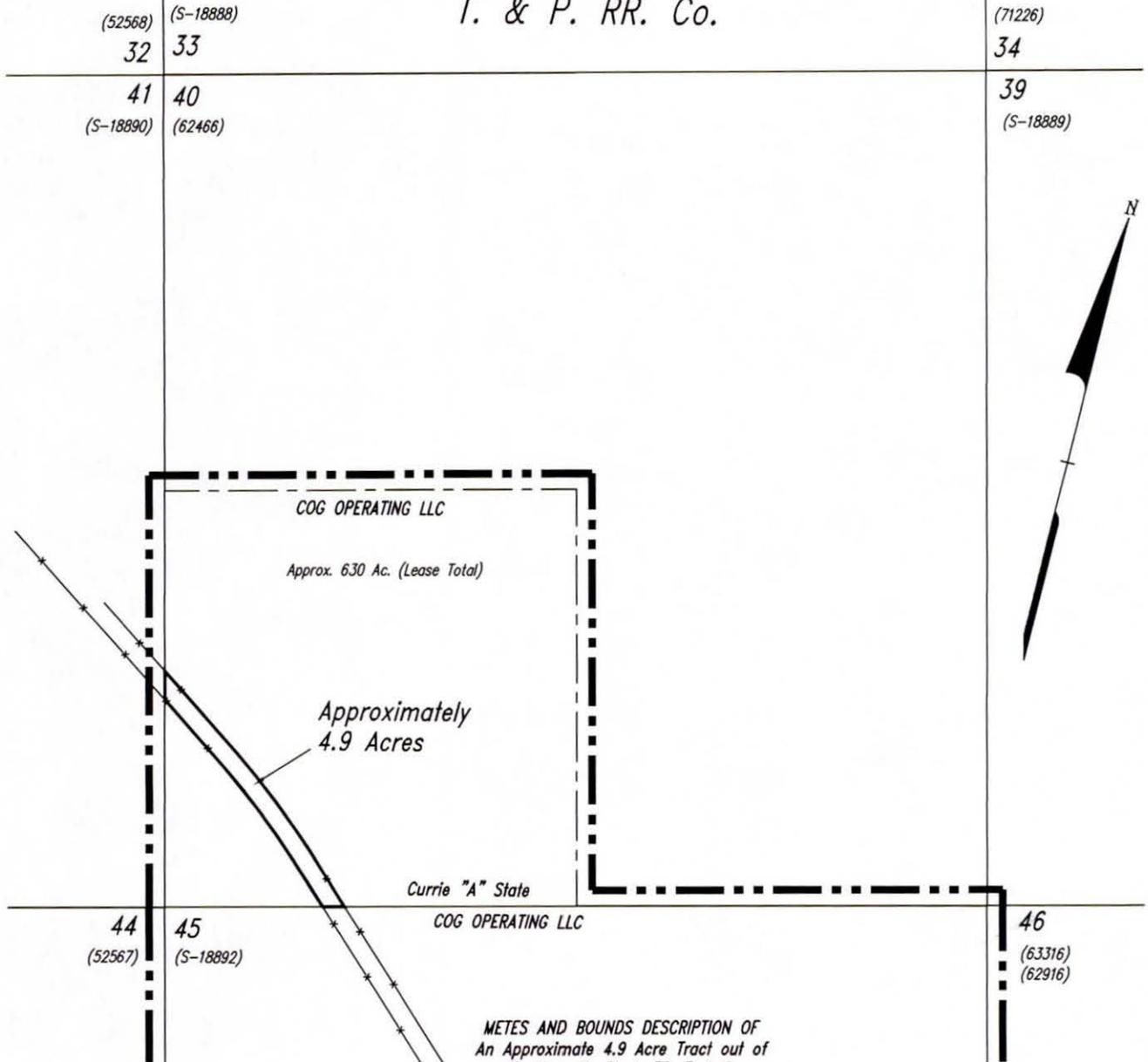
FOOLS CREEK

21.2 Ac

21.2 Ac

Map containing numerous text annotations including owner names (e.g., B.A. Keathley Est., M.I. Patricia Newmann, G.W. Currie, J.R. Currie, J.C. Williamson), tract numbers (e.g., 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50), and company names (e.g., Chevron, Mineral Tech, Gussman, Currie, Ratliff, Family Ranches, Ltd.).

Block 32, T-4-S,
T. & P. RR. Co.



METES AND BOUNDS DESCRIPTION OF
An Approximate 4.9 Acre Tract out of
Section 40, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Beginning at a point on the calculated south line of Section 40, Block 32, T-4-S, T. & P. RR. Co. and in the west right-of-way of Highway 158 for the southwest corner of this tract, from which the calculated southwest corner of said Section 40 bears S 75°26'42" W 1006.49 feet;

Thence N 46°32'09" W, with the west right-of-way fence of Highway 158, 162.99 feet to a point in the west right-of-way fence of Highway 158 at the beginning of a curve to the left;

Thence northwesterly along said curve, having a radius of 5669.58 feet and a central angle of 9°26'00", a distance of 933.46 feet to a point in the west right-of-way fence of Highway 158.

Thence N 55°48'58" W, with the west right-of-way fence of Highway 158, 563.57 feet to a point on the calculated west line of said Section 40 and in the west right-of-way fence of Highway 158 for the most northerly southwest corner of this tract;

Thence N 14°21'20" W, with the calculated west line of said Section 40, 183.19 feet to a point on the calculated west line of said Section 40 and in the east right-of-way fence of Highway 158 for the most northerly corner of this tract;

Thence S 55°42'35" E, with the east right-of-way fence of Highway 158, 702.66 feet to a point in the east right-of-way fence of Highway 158 at the beginning of a curve to the right;

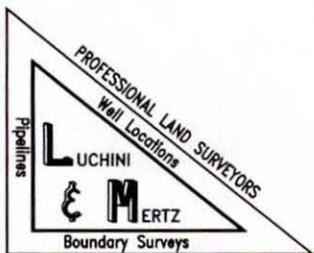
Thence southeasterly along said curve, having a radius of 5789.58 feet and a central angle of 9°26'00", a distance of 953.21 feet to a point in the east right-of-way fence of Highway 158.

Thence S 45°55'12" E, with the east right-of-way fence of Highway 158, 234.23 feet to a point in the east right-of-way fence and on the calculated south line of said Section 40 for the southeast corner of this tract;

Thence S 75°26'42" W, with the calculated south line of said Section 40, 138.48 feet to the point of beginning.



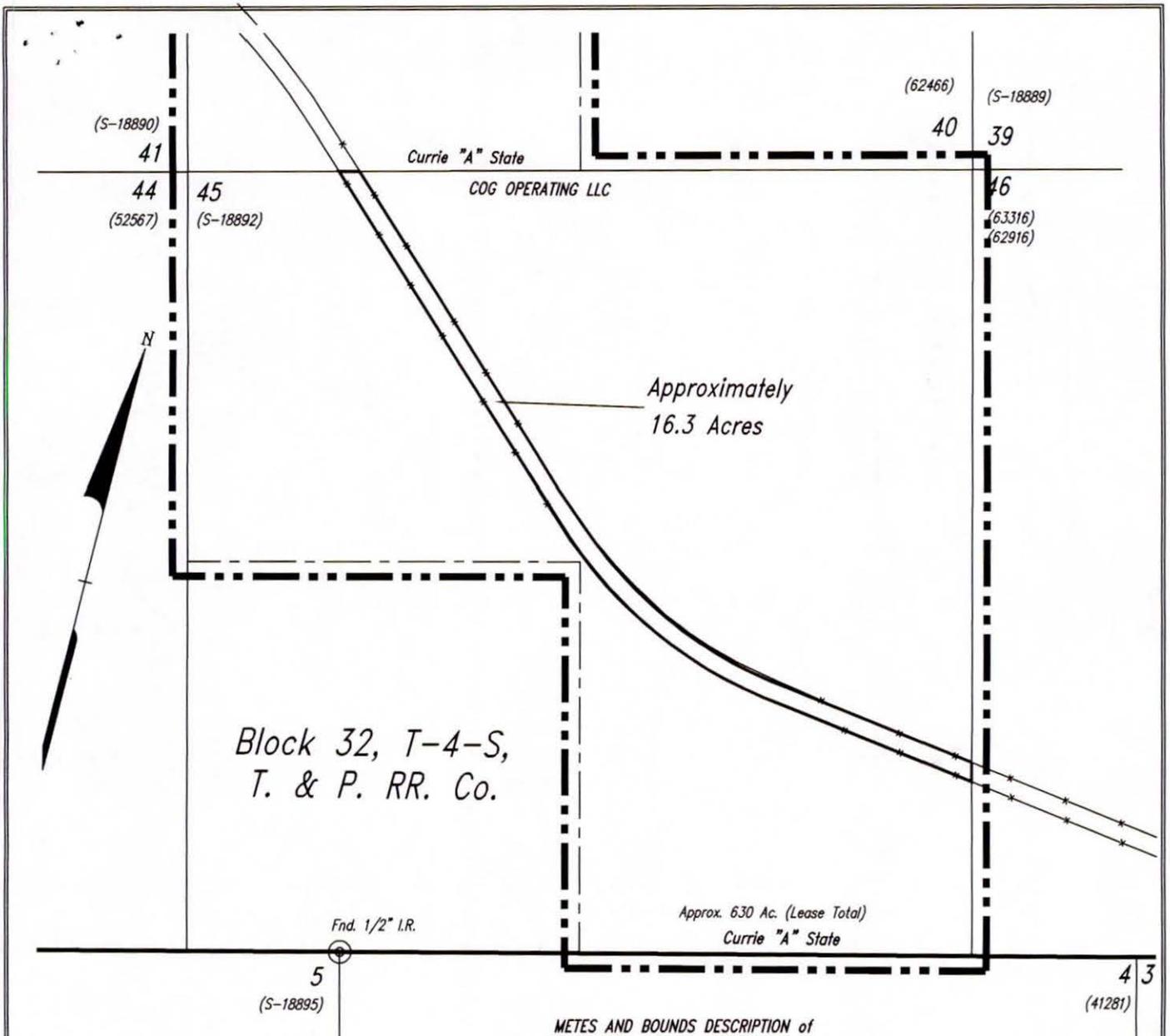
Steven L. Prewit
April 2011
1104180H



Plat

COG OPERATING LLC
Approximately 4.9 Acres
out of
Section 40, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Scale: 1" = 2000'



Block 32, T-4-S,
T. & P. RR. Co.

Approximately
16.3 Acres

Approx. 630 Ac. (Lease Total)
Currie "A" State

**METES AND BOUNDS DESCRIPTION of
An approximate 16.3 Acre Tract out of
Section 45, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas**

Beginning at a point on the calculated north line of Section 45, Block 32, T-4-S, T. & P. RR. Co. and in the west right-of-way fence of Highway 158 for the most northwesterly corner of this tract, from which the calculated northwest corner of said Section 45 bears S 75°26'42" W 1006.49 feet;

Thence N 75°26'42" E, with the calculated north line of said Section 45, 138.48 feet to a point on the calculated north line of said Section 45 and in the east right-of-way fence of Highway 158 for the most northerly northeast corner of this tract;

Thence S 46°37'12" E, with the east right-of-way fence of Highway 158, 2224.88 feet;

Thence S 46°14'50" E, with the east right-of-way fence of Highway 158, 259.68 feet;

Thence S 49°13'42" E, with the east right-of-way fence of Highway 158, 325.02 feet to a point in the east right-of-way fence of Highway 158 at the beginning of a curve to the left;

Thence southeasterly along said curve, having a radius of 2804.79 feet and a central angle of 36°00'00", a distance of 1762.30 feet to a point in the northeast right-of-way of Highway 158;

Thence S 82°25'01" E, with the northeast right-of-way fence of Highway 158, 1318.10 feet to a point on the calculated east line of said Section 45, an in the northeast right-of-way fence of Highway 158 for the most southerly northeast corner of this tract;

Thence S 14°21'20" E, with the calculated east line of said Section 45, 129.54 feet to a point on the calculated east line of said Section 45 and in the southwest right-of-way of Highway 158, for the most southerly corner of this tract;

Thence N 82°24'23" W, with the southwest right-of-way of Highway 158, 1361.84 feet to a point in the southwest right-of-way fence of Highway 158 at the beginning of a curve to the right;

Thence northwesterly along said curve, having a radius of 2924.79 feet and a central angle of 36°00'00", a distance of 1837.70 feet to a point in the west right-of-way fence of Highway 158;

Thence N 47°09'02" W, with the west right-of-way fence of Highway 158, 1369.77 feet to a point in the west right-of-way fence of Highway 158;

Thence N 46°32'21" W, with the west right-of-way fence of Highway 158, 1517.28 feet to the point of beginning.

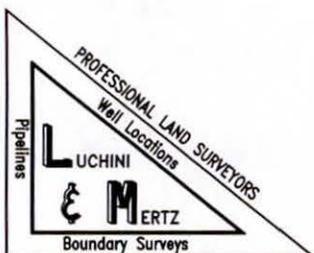


Steven L. Prewit
April 2011
110418DH1

Plat

COG OPERATING LLC
Approximately 16.3 Acres
out of
Section 45, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Scale: 1" = 2000'



2.

File No. MF 11 2866
Slata
Date Filed: 5/26/11
Jerry E. Patterson, Commissioner
By [Signature]

2011

COG OPERATING LLC

550 W. Texas Ave Suite 100
 MIDLAND TX 79701
 (432) 683-7443

Check Number 0000101254

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
052011	05/20/2011	<p>6360 - Bonus 100 - PF 9540 SF</p>	6,555.40	0.00	6,555.40

11710992

Bonus
 sales fee
 processing

121

1110303

File No. _____

Date Filed: _____

Jerry E. Patterson, Commissioner

By _____





May 20, 2011

Commissioner of the General Land Office
Lease Administration, Attn: George Martin
1700 North Congress Avenue, Room 1600
Austin, Texas 78701

Re: **Glass 2 East Prospect**
Request for Highway 158 ROW Oil & Gas Lease
Insofar as it covers Highway ROW in Sections 40
and 45, Block 32, T-4-S, T&P RY Co. Survey,
Glasscock County, Texas, containing 21.2 acres,
more or less

Gentlemen:

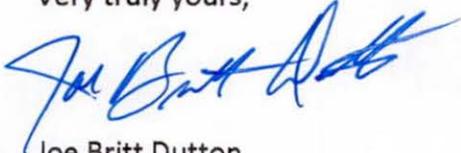
This letter is our formal request and application for an Oil and Gas Lease from the General Land Office of the State of Texas, insofar as it covers the segments described above of State Highway 158 in Glasscock County, Texas. With this letter, we submit the following:

1. Affidavit by Joe Britt Dutton dated May 15, 2011 stating the two (2) sections of land involved, the total acres involved, the ownership of lands offsetting the highway tracts, the highest bonus paid was \$300.00 per acre, that there is no well capable of producing in paying quantities within 2,500 feet of any portion of the Highway tract and that the lease requested for is not for the purpose of drilling a horizontal well.
2. A land plat showing the acreage applied for highlighted in yellow. This plat also shows our leases on either side of the highway.
3. A surveyor's plats of the highway showing the acreage content which includes Metes and Bounds description by the surveyor of the lands we are requesting a lease.
4. Certified copy of Memorandum of Oil and Gas Lease with a Xerox copy of Lease itself covering lands on either side of the highway.
5. Our check No. 101254 dated 5/24, 2011 in the amount of \$6,555.40 covering \$6,360.00 as bonus consideration (21.2 acres @ \$300.00/acre), a \$100.00 processing fee and \$95.40 as a one and one-half (1 ½) percent statutory sales fee.

Please issue an Oil and Gas Lease to COG Operating LLC, 550 West Texas Avenue, Suite 100, Midland, Texas 79702 as soon as possible.

Thank you for your considering this application of the captioned lease. You may call the undersigned at (432) 818-2211 if you need to discuss this offer.

Very truly yours,



Joe Britt Dutton
Senior Landman

1
2
3
4
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7
8

28,

File No. MF 112866

Letter, bonus, fee

Date Filed: 5/26/11

Jerry E. Patterson, Commissioner

By [Signature]

2011

u #



APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE
Revised May 2011

LESSEE COG Operating LLC
ADDRESS 550 West Texas Avenue, Suite 100, Midland, TX 79702
[Lessee name and address must be written as they will appear on the Lease.]

HIGHEST ADJACENT BONUS PER ACRE PAID \$ 300

TOTAL CONSIDERATION TO COMMISSIONER OF GENERAL LAND OFFICE

21.2 [net acres] \$ 6,360.⁰⁰ Paid 5-26-11 [date]

TERM 3 mo. / 1 yr. (the time remaining on terms of adjoining leases – use longest term remaining not to exceed 3 yrs)

HIGHEST ADJACENT LEASE ROYALTY RATE 1/4

HIGHEST ADJACENT LEASE SHUT-IN ROYALTY \$1200/well
[Note: Shut-in royalty will be highest in adjacent leases with a minimum of \$1200/well.]

TOTAL GROSS ACRES IN LEASE 21.2 TOTAL NET ACRES IN LEASE 21.2

COUNTY Glasscock

ALL NAMES OF ROAD/HIGHWAY/STREET BEING LEASED:

State Highway 158

Do you control all minerals or leasehold adjacent to the highway/roadway? Yes No

Is the highway/roadway on Relinquishment Act Lands? Yes No

The second page of this Application is a Checklist that **must be filled out and all items furnished** before a Highway Right of Way Lease will be prepared.

For questions:
George Martin
Texas General Land Office
1700 N Congress
Austin TX 78701
512-475-1512
george.martin@glo.texas.gov

T & P Ry. Co. Survey
Sections 40 and 45
in Block 32
T-4-5



APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE

Revised May 2011

CHECKLIST

1. Cover letter
2. Application for Highway Right of Way (HROW) Lease
3. Plat showing boundaries and dimensions of right of way tract with highway/roadway labeled. [This will be used to prepare an exhibit to the lease.]
4. Processing fee – check attached
5. Executed Waivers of Preferential Right to Lease, if necessary.
6. Executed Affidavit of Consideration
7. Copies of all highway deeds, clipped together
8. Copies of adjacent leases, clipped together.
Put tabs on the leases with the highest bonus per acre, highest royalty, highest shut-in royalty and highlight those items on the tabbed page.
9. Exhibit "A" to be attached to the lease describing the area being leased (see Guidelines 8.)
10. Check to Commissioner of General Land Office for total consideration.
11. Check to Commissioner of General Land Office for 1-1/2% sales fee.

Include all the above information in one package and mail or deliver to:

George Martin
Texas General Land Office
1700 N Congress, Suite 840
Austin TX 78701

If you are pooling or unitizing at any time after the State lease has been issued, the following must be provided to the GLO:

1. Filled out Information for Highway Right-of-Way Unit Declaration
2. Copy of recorded unit designation
3. Copy of unit plat

For questions about pooling:

Beverly Boyd
Texas General Land Office
512-463-6521
beverly.boyd@glo.texas.gov

4.

File No. DF 112866

No check list

Date Filed: 9/26/11
Jerry E. Patterson, Commissioner

By [Signature]

[Faint handwritten notes]

AFFIDAVIT

STATE OF TEXAS §
COUNTY OF GLASSCOCK §

Affiant: Joe Britt Dutton
550 West Texas Avenue, Suite 100
Midland, Texas 79701

Date: May 15, 2011

Affiant on oath swears that the following statements are true:

My name is Joe Britt Dutton. I am a Senior Landman with COG Operating LLC, which is applying for a lease underlying that portion of Highway 158 in Glasscock County, Texas, which is depicted on the two (2) plats submitted herewith (the "Highway tracts"). The Highway tracts cross Sections 40 and 45 in Block 32, T-4-S, T&P Ry. Co. Survey, Glasscock County, Texas. The Highway tracts consist of 21.2 acres, more or less.

In my position with COG Operating LLC ("COG"), I am familiar with the mineral and leasehold ownership on the acreage adjoining the Highway tract, the basis upon which the adjoining leases were acquired and COG's exploration plans for this area. Henry Petroleum LP, the original lessee, was purchased in its entirety by COG, and COG will be the Operator of the leases currently in effect on both sides of the Highway tract. The highest bonus paid for any of these leases was \$300.00/acre. COG and certain other working interest partners, currently own the full leasehold estate in all of the acreage adjoining the Highway tract on both sides. There are no unleased mineral interests in the adjoining acreage. COG requests that the lease be issued in its favor so that it can assign undivided interests in said lease to its other working interest partners in their respective participation percentages.

I have determined that, as of May 15, 2011 there was no well capable of producing in paying quantities located within 2,500 feet of any portion of the Highway tract. The lease being applied for is not for the purpose of drilling a horizontal well.

This Affidavit is executed by Affiant and made a part of the documents submitted in support of its application for an oil and gas lease covering the Highway tract.

Affiant:

Joe Britt Dutton

Joe Britt Dutton

SUBSCRIBED AND SWORN TO before me this the 20th day of May, 2011.



Romae J. Bell

Notary Public - State of Texas

5.

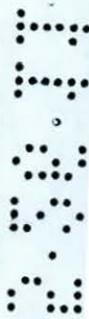
File No. MF 112866

[Signature]

Date Filed: 5/26/11

Jerry E. Patterson, Commissioner

By [Signature]



RIGHT-OF-WAY DEED

STATE OF TEXAS

COUNTY OF GLASSCOCK

KNOW ALL MEN BY THESE PRESENTS:

THAT we, Stephen C. Currie and wife, Dimple Currie, and William J. Currie and wife, Maud Currie, of the County of Glasscock State of Texas, for and in consideration of the sum of five thousand seven hundred eighty three (\$5783.85) and 85/100 DOLLARS, to us in hand paid by the State of Texas, acting by and through the State Highway Commission, receipt of which is hereby acknowledged, have this sold, and do hereby 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 794, Block 32, Township 4-South, T. & P. Ry. Co. Survey conveyed by Mrs Lucy Currie to Stephen C. Currie and William J. Currie by the Deed dated the 15th day of March, 1933, and recorded in Volume 40, page 280, Survey 24, Abstract 800; Survey 25, Abstract 157; Said Surveys 23, 24, and 25 being out of Block 33, Township 4-South T. & P. Ry. Co. Surveys; and further being part of Survey 30, Abstract 964; Survey 31, Abstract 79; Survey 32, Abstract 711; Survey 41, Abstract 82, Survey 40, Abstract 794; Survey 45, Abstract 84; Survey 46, Abstract 778; Said Surveys 30, 31, 32, 41, 45 and 46 being out of Block 32, Township 4-South, T. & P. Ry. Co. Surveys. with the exception of said Survey 40, Abstract 794 a one-third undivided interest in the remaining Surveys was conveyed by Mrs. Lucy Currie to Stephen C. and William J. Currie by deed dated the 15th day of March, 1933 and recorded in Volume 40, page 279, of the Deed Records of Glasscock County, Texas, and the remaining two-third undivided interest in said Surveys having been bequeathed to Stephen C. and William J. Currie by their father, James Currie, by will, copy of probate of said will being recorded in Volume 9, page 127, of the Deed Records of Glasscock County, Texas.

(Important Note: If no liens, leases or easements exist, insert the word None.) liens (s) held by None, easement (s) held by None, lease (s) held by None, and being more particularly described as follows, to wit:

Being a strip of land along and adjacent to the center line of State Highway No. 158, 38, 621 feet long and 120 feet wide, 60 feet each side of said center line from station 264 + 65 to station 650 + 86.

Said center line being described as follows, to-wit:

Beginning at a point on the west line of said survey 23, said point of beginning being station 264 + 65 and being S 14 Deg. 26 Min. E. 1824 feet from the northwest corner of said survey 23.

Cont'd.

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Thence S. 78 deg. 37 Min. E. 5912.1 feet to the P. C. of a 1 degree circular curve to the right at station 323 \angle 77.1;

Thence around said curve, whose central angle is 21 deg. 35 min. a distance of 2158.3 feet to the P. T. of said curve, at station 345 \angle 35.4;

Thence S. 57 Deg. .02 Min. E., at 3760.6 feet a point on the east line of said survey 25 and west line of said survey 30, said point being station 382 \angle 96, and being S. 14 deg. 34 Min. E. 2768 feet from the northeast corner of said Survey 25 and northwest corner of said Survey 30;

Thence continuing same course 11,888 feet in all to a point where said center line deflects 0 Deg. 45 Min. to the right at station 483 \angle 23.4;

Thence S. 56 Deg. 17 Min. E. 8103.9 feet to the P. C. of a 1 degree circular curve to the right, at station 545 \angle 27.3;

Thence around said curve, whose central angle is 9 deg. 26 Min. a distance of 843.3 feet to the P. T. of said curve, at station 554 \angle 70.6;

Thence S. 46 Deg. 51 Min. E., at 199.4 feet a point on the south line of said survey 40 and north line of said survey 45, said point being station 556 \angle 70 and being S. 75 Deg. 26 Min. W., 4122 feet from the southeast corner of said survey 40 and northeast corner of said survey 45;

Thence continuing same course 3048.5 feet in all to a point, the P. C. of a 2 degree circular curve to the left, at station 585 \angle 19.1;

Thence around said curve, whose central angle is 36 deg. 00 Min. a distance of 1800 feet to the P. T. of said curve at station 603 \angle 19.1;

Thence S. 82 Deg. 51 Min. E., at 1280.9 feet a point on the east line of said survey 45 and west line of said survey 46, said point being station 616 \angle 00 and being N. 14 Deg. 34 Min. W. 1275 feet from the southeast corner of said survey 45 and southwest corner of said survey 46;

Thence continuing same course 4766.9 feet in all to a point on the south line of said survey 46, said point being station 650 \angle 86 and being S. 75 Deg. 26 Min. W., 2106 feet from the southeast corner of said Survey 46.

Said strip of land containing 106.394 acres.

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 Stephen C. Currie and wife Dimple Currie, and

Cont'd.

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William J. Currie and wife Maud Currie 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.

And it is further agreed that the said Grantors herein in consideration of the benefits above set out, will remove from the property above described such fences, building and other obstructions as may be found upon said premises.

Witness our hands, this the 13th day of April, A. D. 1942.

William J. Currie
Maud Currie
Stephen C. Currie
Dimple Currie

THE STATE OF TEXAS }
COUNTY OF GLASSCOCK }

Before me, the undersigned authority in and for said County and State, on this day personally appeared Stephen C. Currie and William J. Currie, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 13th day of April 1942.

Vena Lawson
County Clerk in and for Glasscock
County, Texas.

(Seal)

THE STATE OF TEXAS }
COUNTY OF GLASSCOCK }

Before me, the undersigned authority in and for said County and State, on this day personally appeared Dimple Currie, wife of Stephen C. Currie, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she the said Dimple Currie, acknowledged such instrument to be her act and deed, and declared that she had willingly

Cont'd.

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 13th day
of April, 1942.

(Seal) Vena Lawson
County Clerk, Glasscock County, Texas.

THE STATE OF TEXAS

COUNTY OF GLASSCOCK

Before me, the undersigned authority in and for
said County and State, on this day personally
appeared Maud Currie, wife of William J. Currie, known to me to be the
person whose name is subscribed to the foregoing instrument, and having
been examined by me privily and apart from her husband, and having the
same fully explained to her, she the said Maud Currie, 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 13th day of
April 1942.

(Seal) Vena Lawson
County Clerk in and for Glasscock County,
Texas.

Filed for record May 30, 1942, at 2:00 P. M.
Recorded June 9, 1942, Vol. 52, page 19, Dead Records Glasscock County,
Texas.

6,

File No. MF 112866

Deed

Date Filed: 5/26/11
Jerry E. Patterson, Commissioner

By [Signature]

4357

MEMORANDUM OF OIL AND GAS LEASE

THE STATE OF TEXAS
COUNTY OF GLASSCOCK

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Oil and Gas Lease is made and entered into this 6th day of October, 2008, among **JAMES R. CURRIE, INDIVIDUALLY AND AS TRUSTEE**, and **JIMMIE R. CURRIE**, wife of James R. Currie, whose address is P. O. Box 357, Garden City, Texas 79739, **CYNTHIA C. HOWARD**, a married woman dealing in her sole and separate property, whose address is 2600 Inwood Court, Midland, Texas 79705, and **DARLA C. TAYLOR**, a married woman dealing in her sole and separate property, whose address is 2 Hanover Drive, Midland, Texas 79705 (collectively, "Lessor"), and **HENRY PETROLEUM LP**, a Texas limited partnership, whose address is 550 W. Texas Ave., Suite 1300, Midland, Texas 79701 ("Lessee"):

WITNESSETH:

Lessor and Lessee have this day entered into an Oil and Gas Lease covering the following described lands located in Glasscock County, Texas, to wit:

All of Sections 40 and 45, Block 32, Township 4 South, T&P Ry. Co. Survey, and all of Section 4, Block 32, Township 5 South, T&P Ry. Co. Survey, containing 1,920 acres, more or less.

Said Oil and Gas Lease, subject to certain termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil or gas is produced in paying quantities from the above described lands by Lessee, or drilling or reworking operations are prosecuted thereon under the terms and provisions of said lease.

Lessor and Lessee are executing this Memorandum of Oil and Gas Lease for the purpose of placing the same of record in Glasscock County, Texas, and in order to constitute constructive notice of said Oil and Gas Lease in lieu of the recording of said Oil and Gas Lease in its entirety. A full and complete copy of said Oil and Gas Lease will be maintained in the office of both Lessor and Lessee at the addresses shown above.

IN WITNESS WHEREOF, this Memorandum of Oil and Gas Lease is executed as of the day, month and year first hereinabove written.

LESSOR:

James R. Currie
JAMES R. CURRIE, INDIVIDUALLY AND AS TRUSTEE

Jimmie R. Currie
JIMMIE R. CURRIE

Cynthia C. Howard
CYNTHIA C. HOWARD

Darla C. Taylor
DARLA C. TAYLOR

Mid: 002890\000999\607554.2



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

LESSEE:

HENRY PETROLEUM LP
By: Concho GP LLC,
its General Partner

By: [Signature]
Name: Matthew C. Hyde
Title: VP Exploration & Land

THE STATE OF TEXAS §
COUNTY OF Midland §

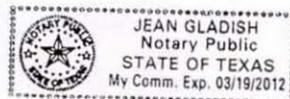
This instrument was acknowledged before me on this 6th day of October, 2008,
by JAMES R. CURRIE, INDIVIDUALLY AND AS TRUSTEE.



[Signature]
NOTARY PUBLIC - State of Texas

THE STATE OF TEXAS §
COUNTY OF Midland §

This instrument was acknowledged before me on this 6th day of October, 2008,
by JIMMIE R. CURRIE.



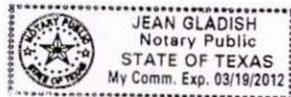
[Signature]
NOTARY PUBLIC - State of Texas

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 6th day of October, 2008,
by CYNTHIA C. HOWARD.

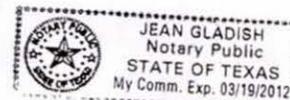


[Signature]
NOTARY PUBLIC - State of Texas



THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 6th day of October, 2008,
by DARLA C. TAYLOR.



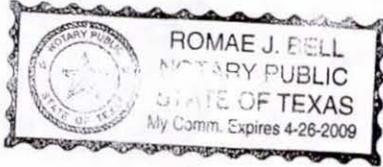
[Signature]
NOTARY PUBLIC - State of Texas



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

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 12th day of November, 2008, by Matthew A Hyde, V.P. Exploration; Land of Concho GP LLC, General Partner of HENRY PETROLEUM LP, a Texas limited partnership, on behalf of said limited partnership.



Romae J. Bell
NOTARY PUBLIC - State of Texas

FILED
AT 12:00 O'CLOCK A M
ON THE 8 DAY OF December
A.D., 2008
INS. NO. 4357

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 Auzie Hill DEPUTY



Rebecca Batla
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS
VOL. 125 PAGE 650
RECORDED December 8, 2008

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Official Public Records of my office, found in VOL. 125, PAGE 650.



I hereby certified on 20 May 2011

REBECCA BATLA, COUNTY & DISTRICT CLERK
GLASSCOCK COUNTY, TEXAS
BY Wendy Jones DEPUTY



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

Page 3 of 3

OIL AND GAS LEASE

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GLASSCOCK §

This Oil and Gas Lease ("this lease") is made and entered into this 6th day of **October, 2008**, among **JAMES R. CURRIE, INDIVIDUALLY AND AS TRUSTEE, JIMMIE R. CURRIE**, wife of James R. Currie, **CYNTHIA C. HOWARD**, a married woman dealing in her sole and separate property, and **DARLA C. TAYLOR**, a married woman dealing in her sole and separate property (collectively, "Lessor"), and **HENRY PETROLEUM LP**, a Texas limited partnership ("Lessee"):

WITNESSETH:

1. Lessor, in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, of the royalties herein provided, and of the covenants, agreements and obligations hereinafter contained on the part of Lessee to be kept and/or performed and upon the conditions and with the limitations hereinafter set forth and contained, hereby GRANTS, LEASES and LETS exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas (oil and gas, for all purposes of this lease, being defined to include oil, gas, casinghead gas, and the byproducts thereof, and such other hydrocarbons and sulphur as are necessarily produced with, and incidental, to the production of oil and/or gas from wells on the lands herein leased), laying pipelines, building roads, tanks, power stations and other structures thereon, to produce, save, take care of, treat, store, transport and own said products, all of the following described lands (the "said lands") located in Glasscock County, Texas, to wit:

All of Sections 40 and 45, Block 32, Township 4 South, T&P Ry. Co. Survey, and all of **Section 4, Block 32, Township 5 South, T&P Ry. Co. Survey**, containing 1,920 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a **term of three (3) years** from this date (herein called "primary term"), and as long thereafter as oil or gas is produced in paying quantities from said lands by Lessee, or drilling or reworking operations are prosecuted thereon under the other provisions hereof, or this lease is otherwise maintained as herein provided.

3. Lessee covenants and agrees to pay to Lessor the following **royalties** which are hereby reserved and retained by Lessor:

(a) On all oil and on all liquid hydrocarbons extracted from gas under the provisions hereof, **one-fourth (1/4)** of the market value of that produced and saved from the said lands, such value to be determined by (i) the highest posted price, plus premium, if any, paid to the producer for oil, condensate, distillates or other liquid hydrocarbons, respectively of a like type and gravity for the field where produced and when run, or (ii) the prevailing market price therefor offered or paid to the producer for the field where produced and when run, or (iii) the gross proceeds of the sale thereof, whichever is the greatest.

(b) On all gas produced from said lands, including casinghead gas and residue gas at the tailgate of any plant through which gas produced from said lands may be processed, one-fourth (1/4) of the market value of the gas at the place of use or sale by Lessee, or at Lessor's option, one-fourth (1/4) of the gas, in kind, at the well or at the outlet side of the separator, or at the tailgate of any plant through which gas is processed, as the case may be. Market value is to be based on the average market price paid for gas of comparable quality for the field (which, for such purpose, means the general area in which the land covered by this lease is located) where produced and when run, or

the gross price paid or offered to the producer, whichever is greater; provided, however, that when gas is sold in an arms-length sale transaction with an unaffiliated third-party, market value shall be the price paid to Lessee for such gas.

(c) On condensate and all other products separated, extracted or manufactured from gas produced from said lands by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee or any subsidiary company, one-fourth (1/4) of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or, at Lessor's option, one-fourth (1/4) of such condensate and other products, in kind, shall be delivered to Lessor at the plant.

(d) On condensate and all other products separated, extracted or manufactured from gas produced from said lands by an extraction, absorption, pressuring or other plant belonging to a third party or parties, one-fourth (1/4) of the amount received by Lessee from the sale of condensate and other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.

(e) This lease is intended to cover only oil and gas, but it is contemplated that some sulphur may be produced necessarily with, and incidental to, the production of oil and gas and, in such event, this lease shall also cover such sulphur so produced. On all sulphur so produced under and by virtue of the terms of this lease, Lessor shall have and be entitled to a royalty of one-fourth (1/4) of all such sulphur produced and saved, same to be delivered to Lessor, free of all costs, or, at the option of Lessor, Lessee shall account to Lessor for one-fourth (1/4) of the amount received by Lessee from the sale of such sulphur.

(f) If at any time after the expiration of the primary term of this lease there is no production from said lands but there is a gas well located on said lands which is capable of producing in paying quantities and shut-in for any cause, this lease shall nevertheless continue in force and effect provided that Lessee pays or tenders, as royalty, by a valid check or draft of Lessee, to the parties entitled to receive royalties under this lease on or before ninety (90) days after the date on which (1) the gas well is shut-in, or (2) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and annually thereafter, a shut-in gas well royalty payment in the amount hereinafter provided, and if such payment is properly and timely made, it will be considered that gas is being produced from said lands in accordance with the terms of this lease; provided, however, this lease may not be continued in force by the making of shut-in gas well royalty payments as herein provided for a period or periods of longer than two (2) consecutive years. The first annual payment following the date on which a well is shut-in shall be a sum of money equal to \$20.00 per net mineral acre for the acreage then held under this lease by the parties making such payment or tender, and for the next succeeding year shall be a sum of money equal to \$40.00 per net mineral acre for the acreage then held under this lease by the party making such payment or tender. This provision as to the payment of shut-in gas royalty is a condition and not a covenant, and the failure to pay any shut-in gas royalty as herein provided shall effect an automatic termination of this lease unless the lease is otherwise maintained as herein provided.

(g) Notwithstanding anything contained herein to the contrary, Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting or otherwise making the oil and gas produced hereunder ready for sale or use. In determining the value of all royalties payable hereunder, such values shall be determined without deduction for said costs.

(h) Notwithstanding anything contained in this Paragraph 3 or elsewhere in this lease to the contrary, Lessor may at any time and from time to time, on sixty (60) days prior notice in writing to Lessee, require that payment of all or any part of the royalties accruing to Lessor under this lease on oil, gas or any product, be made in kind, effective as of the first day of the calendar month next following the expiration of said sixty (60) day period, or if payment of any such royalties are

then being made to Lessor in kind, require that such in kind payments cease and that payment of such royalties thereafter be made as provided in this Paragraph 3, with Lessor having the recurring right at any time and from time to time to either take in kind, cease taking in kind, and resume taking in kind, all or any part of such royalties. In the event Lessor elects to take in kind, Lessee shall make all its leasehold and pipeline facilities available for Lessor's use free of cost to Lessor; provided, however, that any additional expenditures resulting solely from Lessor's taking in kind or separately marketing Lessor's royalty oil or gas (and which would not have been necessary otherwise) shall be borne and paid by Lessor.

(i) After payment of royalties is first begun on production from any well on said lands, Lessor's share of proceeds from the sale of oil production shall be paid no later than sixty (60) days after the end of the month in which such oil is produced and Lessor's share of proceeds from the sale of gas and casinghead gas production shall be paid no later than ninety (90) days after the end of the month in which such gas or casinghead gas is produced. If payment is not made within such time limits, Lessor shall be entitled to payment of interest by Lessee on the delinquent amounts at the rate of twelve percent (12%) per annum.

(j) As security for the payment of the royalties and all other payments provided for in this lease, Lessee agrees by acceptance hereof that Lessor shall have a first lien and security interest upon the leasehold estate created hereby, the personal property and equipment thereon and all proceeds of production and as-extracted collateral accruing to both Lessor and Lessee hereunder.

4. Lessee shall have the right at Lessee's sole expense to drill a water well on said lands and use water produced therefrom free of costs for the drilling or re-entering (but not completion, fracing, recompletion, reworking or operation) of the first oil and/or gas well drilled or re-entered on said lands. Lessee shall not have the right to drill any additional water wells on said lands without the consent of Lessor. Lessee shall consult with Lessor regarding the location of any water wells so drilled and when Lessee ceases using a water well Lessee shall either tender the same to Lessor or properly plug the same, whichever option Lessor elects. Lessor shall have the option and right, but not the obligation, to sell Lessee water for use in connection with the completion, fracing, recompletion, reworking and/or operation of the first oil and/or gas well drilled or re-entered on said lands and for the drilling, completion, fracing, recompletion, reworking and/or operating of all subsequent oil and/or gas wells drilled or re-entered on said lands at a minimum price of \$.42 (forty-two cents) per barrel, but commensurate with the prevailing rate in the area, whichever is greater. Should any of Lessee's operations result in the loss or damage of any existing water well of Lessor, Lessee shall either repair the damage or drill a new water well as soon as reasonably possible to assure a continuing supply of water. Except as specifically provided above, Lessee shall not have the right to use any fresh or potable water or water suitable for irrigation purposes from said lands, including, without limitation, any underground water, surface water or water in Lessor's tanks, without the prior written consent of Lessor. In addition, Lessee shall not have the use of fresh or potable water or water suitable for irrigation from said lands for producing oil and/or gas by waterflooding, pressure maintenance or other recovery operations.

5. This is a paid-up lease and no payments of delay rentals shall be required to maintain this lease in force during the primary term hereof. Lessee may at any time or times execute a release or releases covering any portion or portions of said lands, record the same and deliver to Lessor a copy of the same reflecting the recording data, and thereby surrender this lease as to such portion or portions.

6. After the expiration of the primary term, if oil or gas has been produced from said lands, and if all production thereof should cease from any cause, this lease shall not terminate, provided Lessee, until production is again obtained, does not permit more than sixty (60) days to elapse between the cessation of production and the beginning of additional drilling or reworking operations in a bona fide attempt to obtain production, and if such operations result in the discovery of oil or gas, this lease shall not terminate as long as oil or gas is being produced by Lessee from said lands in paying quantities.

7. If a well or wells producing oil or gas in paying quantities is completed on lands not covered by this lease and within six hundred sixty feet (660') of any portion of said lands as to which this lease is then in force and effect, or if any well be draining said lands, Lessee shall commence the drilling of an offset well or wells on land covered by this lease within ninety (90) days of the date of the first production from such well. In lieu of drilling an offset well to any such oil or gas well, Lessee shall have the option of (i) paying Lessor, as royalty, a sum equal to the royalties which would be payable under this lease on the production from such well had the same been produced hereunder commencing with the date of the first production and Lessee's obligation to drill such offset well shall be deferred as long as Lessee may elect to pay such royalty in lieu of drilling an offset well, or (ii) releasing this lease insofar as it covers a tract of land in as near the form of a square as possible and constituting what would be the offset proration unit established in conformity with the field rules or spacing laws prescribed or permitted with respect to such offset well. The provisions of this paragraph 7 shall not apply to situations where Lessee has drilled a well on lands that are adjacent to said lands and in which any Lessor owns a mineral interest.

8. Notwithstanding any other provision herein contained to the contrary, it is understood and agreed that if this lease is in full force and effect at the end of the primary term hereof, then within one hundred twenty (120) days after the later of: (i) the expiration of the primary term, or (ii) the completion of drilling or reworking operations being conducted at the end of the primary term, Lessee shall commence the actual drilling of a well on said lands and shall thereafter continuously develop said lands by drilling additional wells on the lands covered hereby with no more than one hundred twenty (120) days elapsing between the completion of one well and the commencement of the next succeeding well. For the purposes of interpretation of this provision, a well shall be determined to be completed on the day Lessee releases the drilling rig used to drill such well, the day such rig is moved off the location or the day one hundred twenty (120) days after the well is commenced, whichever day occurs first, and a well shall be determined to be commenced when such well is spudded with a drilling rig of a suitable size necessary to reach the objective depth. The drilling of each well properly commenced hereunder shall be completed by Lessee within one hundred twenty (120) days from the date of the commencement of such well.

Upon the sooner to occur of October 6, 2015, or the cessation of such continuous drilling program by Lessee, this lease and all rights hereunder shall automatically terminate as to all lands covered hereby, save and except as to each well then capable of producing oil or gas in paying quantities together with the proration unit allocated thereto (the size of said proration unit being hereby defined as the number of acres prescribed by the Railroad Commission of Texas, or other proper governmental authority, as the minimum number of acres required for the production of the maximum allowable from a well in the particular field and from the particular formation involved) as of the date of such termination, and shall further automatically terminate (i) as to all depths in each such proration unit which are one-hundred feet (100') or more above the producing formation in each such well capable of producing oil or gas in paying quantities, and (ii) as to all depths in each such proration unit which are one-hundred feet (100') or more below the producing formation in each such well capable of producing oil or gas in paying quantities. Within thirty (30) days after a partial termination of this lease as provided above, Lessee shall execute and deliver to Lessor a recordable release of this lease as to all lands covered hereby save and except the lands and depths to be allocated to each producing proration unit in accordance with the terms set forth above.

Upon the sooner to occur of October 6, 2015, or cessation of said continuous drilling program, any acreage so assigned to a producing proration unit shall be considered as covered by a separate lease containing the same terms and provisions hereof, so that thereafter each separate lease can be kept in force and effect only by actual production from, or operations upon, that particular tract without regard to production or drilling operations upon the other tracts retained by Lessee under the terms hereof. From such point in time forward all references in this lease to "said lands" shall be deemed references to each of such retained tracts the same as if each of such retained tracts were originally covered by a separate lease containing the same terms and provisions hereof.

Notwithstanding the fact that the previous paragraph provides that any acreage assigned to a producing proration unit shall be considered as covered by a separate lease upon the sooner to occur of October 6, 2015, or cessation of the continuous drilling program set forth above, if at any time after the sooner to occur of October 6, 2015, or the cessation of such continuous drilling program, the applicable field rules for any wells drilled on said lands are changed or the well or wells located thereon are re-classified as oil or gas wells so that less acreage is thereafter allocated to said well or wells for spacing purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for spacing purposes unless Lessee commences actual drilling operations on the unproductive acreage then subject to this lease within one-hundred twenty (120) days after any such change in field rules or well reclassification, and thereafter continuously develops such unproductive acreage by drilling additional wells on the lands then covered hereby with no more than one-hundred twenty (120) elapsing between the completion of one well and the commencement of the next succeeding well. Upon the cessation of such continuous drilling program by Lessee, this lease and all rights hereunder shall automatically terminate as to all lands covered hereby, save and except as to each well then capable of producing oil or gas in paying quantities together with the proration unit allocated thereto, all upon the same terms and as further provided above in this paragraph 8.

9. With respect to actual operations conducted by Lessee on said lands, it is agreed by and between Lessor and Lessee as follows:

(a) Prior to the commencement of any drilling, reworking or other material operations on said lands, Lessee shall give Lessor written notice of Lessee's intention to commence operations, the approximate date of such commencement and the approximate proposed location of same, and the type of operations to be conducted, such notice to be given within a reasonable time prior to the actual commencement of such operations. In locating the wells, pumping units, tank batteries, pipelines, roads and other facilities located on said lands, Lessee agrees to consult with Lessor and follow reasonable requests for such protection as may be necessary or advisable to minimize interference with Lessor's and/or the surface owner's operations on said lands. To the extent practicable, Lessee shall situate all such pipelines, roads and surface facilities at locations approved by Lessor. Nothing contained in this lease shall be construed to give Lessee, its successors and assigns, the right to construct or maintain any lease house or lease camp for housing Lessee's employees on said lands, and Lessee shall have no right to do so.

(b) No well, tank battery or other surface production or marketing facility of Lessee shall be located within six hundred feet (600') of the two (2) main residences located on said lands or on Lessor's adjacent lands, or within three hundred feet (300') of any other residence, barn, building, water well, windmill or tank now or hereafter located on said lands or on Lessor's adjacent lands, without the Lessor's prior written consent. The location for each well, tank battery, road and right of way for a pipeline or flow line shall use only so much of the surface as is necessary to conduct operations under this lease in a reasonable and prudent manner. Lessee agrees to maintain any roads on said lands used by Lessee, or its permittees, in good repair and condition as all-weather caliche roads at all times. No new road shall be constructed by Lessee without first consulting with Lessor as to the location of such road, and all new roads shall be constructed and maintained as all-weather caliche roads at Lessee's cost and expense and shall not exceed twenty (20) feet in width. No caliche or gravel from said lands shall be used by Lessee in its operations under this lease without the prior written consent of Lessor. Lessee shall install adequate bridges or culverts wherever any new road constructed by Lessee crosses a natural stream or drainage, and all roads and any pipelines laid by Lessee shall be so constructed and laid as not to interfere with the natural flow of surface waters or with drainage.

(c) At the request of Lessor or the surface owner, all pipelines and electric power lines laid by Lessee on said lands shall be buried to a depth of at least thirty-six inches (36") below the surface and the area occupied by all buried pipelines and electric power lines, after installation, replacement or repair, shall be backfilled and tamped, and otherwise restored as nearly as practical to its condition prior to installation, replacement or repair. In the event Lessee shall obtain commercial

production of oil and/or gas from said lands pursuant to the terms hereof, Lessee shall have the right to install electric power lines on said lands for the purpose of operating equipment used in producing, operating, processing or transmitting gas or other hydrocarbons produced from said lands. Lessor shall be consulted with as to the location and method of installation of such electric power lines prior to commencement of installation and to the extent practicable Lessee shall situate all such electric power lines at locations approved by Lessor. Lessee shall install an electric motor to operate any pumping unit placed by Lessee on said lands to produce any well and Lessee further agrees that any such pumping unit shall not be operated by an internal combustion engine.

(d) All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable environmental laws and regulations and in such manner as will least interfere with the ranching and agricultural operations on said lands. Lessee shall construct and maintain fences around each site of Lessee's surface facilities (including, but not limited to, producing wells, tank batteries, separators and slush and other pits) sufficient to keep all livestock out of such sites. Lessee shall install and/or maintain gates or substantial cattleguards capable of turning livestock at all openings in fences crossed by Lessee or others in conducting operations under this lease.

(e) Lessee shall keep the surface of said lands neat and clean and shall remove all waste material and debris as soon as may be practical and upon the completion of any drilling or reworking operations, Lessee shall fill and level all pits and ruts, remove all debris and restore the surface of said lands so used by Lessee as nearly as practicable to its condition prior to Lessee's use thereof, except for such permanent production or marketing facilities as Lessee may maintain thereon. All pits dug and used in connection with Lessee's operations on said lands shall be lined with plastic liners. Upon restoration of each such pit, the plastic liners shall be cut off at least three (3) feet below the surface and the pit shall be back-filled and covered with topsoil. Within one hundred twenty (120) days following the abandonment of any wellsite or other facility location on said lands, Lessee shall fill and level all pits and ruts, remove all caliche and debris and restore the surface of the area used as nearly as practicable to its condition prior to Lessee's use thereof, including the placement of top soil thereon of a depth sufficient to grow native grasses where practicable, and at the request of Lessor, Lessee shall re-seed such area with native grasses selected by Lessor.

(f) Lessee shall not permit its agents, employees, servants, contractors, subcontractors, service personnel or others entering upon said lands under the authority of this lease to hunt or fish on any portion of said lands or to take any rifle, shotgun, pistol or other firearms thereon for any purpose whatsoever. The Lessor or the Lessor's representatives may inspect any vehicle entering said lands and may deny access to said lands to anyone found carrying firearms or fishing equipment.

(g) Any salt water produced from wells drilled under this lease shall be disposed of off of said lands or shall be reinjected into a subsurface strata at a depth sufficient to protect all oil and/or gas bearing formations and all sources and supplies of fresh and potable water or water suitable for irrigation purposes.

(h) Lessee shall furnish the Lessor with full and complete information as to all water zones encountered by Lessee in any well drilled on said lands, whether it be a well drilled for oil or gas or a water well. If Lessee desires to abandon any water well drilled by it hereunder, prior to doing so, Lessee shall tender such water well or wells to the Lessor, and if the Lessor should elect to accept the same, Lessee may remove all equipment from said water well and such water well and all casing therein shall be and become the property of the Lessor.

(i) Without the prior written consent of Lessor, Lessee shall not conduct any seismic or geophysical operations within five hundred feet (500') of any residence, barn, building, water well, windmill or tank now located or hereafter to be located on said lands or on Lessor's adjacent lands, other than foot traffic to lay receiver lines and receiver phones.

(j) Lessee shall at all times indemnify, defend and save and hold harmless Lessor and Lessor's heirs, successors and assigns, from and against any and all claims, liabilities, demands, damages and causes of action in any manner due to or arising out of any and all operations of Lessee, its assigns, employees, agents, affiliates, contractors and subcontractors on said lands.

(k) Should Lessee drill a well on that portion of said lands now or hereafter in cultivation, after drilling operations are completed, Lessee shall, to the extent practicable, locate all surface equipment and other facilities at locations that will least interfere with Lessor's farming operations. Lessee shall not conduct any surface operations of any kind or character on that portion of said lands now or hereafter irrigated with an underground drip irrigation system or with any center-pivot or other mobile irrigation system, without the prior written consent of Lessor.

(l) Lessee shall install gates across all existing cattle guards used or new cattle guards installed for access to said lands and, except as provided below or unless otherwise permitted by Lessor, shall keep all such cattle guard gates closed and locked at all times by use of a locking device acceptable to Lessor. During any period in which Lessee is conducting actual drilling operations on said lands, Lessee shall not be required to keep said gates locked.

(m) Lessee, its agents, employees, contractors and subcontractors or others entering upon said lands under the authority of this lease shall not intentionally remove or destroy any fossils, Indian artifacts, man-made structures or other archeological objects of historical or scientific value which may be situated thereon. Should Lessee or any of its employees, agents, contractors or subcontractors discover any such objects on said lands, it shall leave said objects in place. If at any time Lessor determines that the conduct or activity on said lands by any employee, agent, contractor or subcontractor of Lessee is not in compliance with the terms of this lease after written notice by Lessor to Lessee of such non-compliance, Lessor shall have the right to require that Lessee not utilize said person or persons in the conduct of its operations on said lands.

(n) Lessee shall at all times maintain all surface facilities located on said lands, including without limitation, all pump jacks, tank batteries, heater treaters, separators and equipment, in good repair and condition, and in a properly painted condition through use of a tan paint color or other paint color approved by Lessor. Lessee shall not store any machinery, tubulars, equipment, vehicles or other personal property or equipment on said lands without the prior approval of Lessor.

(o) Lessee, its agents, employees, contractors and subcontractors or others entering upon said lands under the authority of this lease shall drive all vehicles on said lands in a safe manner and at speeds not to exceed twenty (20) miles per hour. In addition, Lessee, its agents, employees, contractors and subcontractors or others entering upon said lands under the authority of this lease shall not use any paved black-top roads located on said lands without the prior written consent of Lessor.

(p) Lessee agrees to use reasonable care in the conduct of all operations on said lands to prevent injury or damage to the livestock, buildings or other property situated on the surface of said lands, or water wells and tanks located thereon, and Lessee agrees to pay the surface owner for any and all damages to the surface owner's livestock, crops, fences, building, wells, tanks and any other fixtures of the surface owner, or of any tenant of the surface owner, situated on said lands, resulting from operations under this lease. In addition to any damages which may become payable by Lessee as above provided, Lessee shall pay the surface owner the following amounts for damages to the surface of said lands:

- (i) Eight Thousand and no/100 Dollars (\$8,000.00) for each location for a drilling, producing or re-entered well located on lands which are not in cultivation, and if the site is more than two (2) acres, the amount shall be proportionately increased at the rate of Four Thousand and no/100 Dollars (\$4,000.00) per acre or part thereof. Ten Thousand

and no/100 Dollars (\$10,000.00) for each location for a drilling, producing or re-entered well located on lands which are in cultivation, and if the site is more than two (2) acres, the amount shall be proportionately increased at the rate of Five Thousand and no/100 Dollars (\$5,000.00) per acre or part thereof. Each such location shall not exceed more acreage than is reasonably and necessarily required by Lessee in its operations hereunder.

- (ii) Five Thousand and no/100 Dollars (\$5,000.00) for the site occupied by each tank battery, pumping station, meter run or other surface production, treating or marketing facility not located on a well location and located on lands which are not in cultivation, and, if the site is more than one (1) acre, the amount shall be proportionately increased at the rate of Seven Thousand Five Hundred and no/100 Dollars (\$7,500.00) per acre or part thereof. Seven Thousand Five Hundred and no/100 Dollars (\$7,500.00) for the site occupied by each tank battery, pumping station, meter run or other surface production, treating or marketing facility not located on a well location and located on lands which are in cultivation, and, if the site is more than one (1) acre, the amount shall be proportionately increased at the rate of Ten Thousand and no/100 Dollars (\$10,000.00) per acre or part thereof. Each such location shall not exceed more acreage than is reasonably and necessarily required by Lessee in its operations hereunder.
- (iii) For each pipeline (other than and excluding temporary surface pipelines) and buried power line installed by Lessee on said lands, the sum of Twenty and no/100 Dollars (\$20.00) per rod. To the extent practical, all such pipelines and buried power lines shall be laid along fence lines or roads.
- (iv) For each above-ground electric power line laid upon said lands, the sum of Two Hundred Fifty and no/100 Dollars (\$250.00) per pole; the location and height of each such line to be approved by Lessor.
- (v) For 2D geophysical operations on said lands, the sum of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00) per mile, and for 3D and other geophysical operations on said lands, the sum of Twenty and no/100 Dollars (\$20.00) per acre.
- (vi) For roads constructed or used by Lessee on said lands, the sum of Twenty and no/100 Dollars (\$20.00) per rod for new roads built by Lessee and the sum of Twelve and no/100 Dollars (\$12.00) per rod for use of existing roads; each such road not to exceed twenty feet (20') in width.

The foregoing amounts shall remain effective for three (3) years from the date hereof and thereafter Lessee shall pay the reasonable going rate in the area with the foregoing amounts to be the minimums.

So long as this lease continues in force and effect as to any portion of said lands and for the sole purpose of conducting operations on and marketing production from said lands, Lessee shall be deemed to have a continuing non-exclusive easement and rights of ingress and egress on said lands even though this lease has been released or has otherwise terminated with respect to portions of said lands. Such continuing rights shall in all cases be subject to all of the terms and provisions of this lease.

Each payment due hereunder shall be due and payable prior to the time Lessee first utilizes any of the said lands for a purpose requiring such a payment to the payees.

All provisions of this lease whereby Lessee is obligated to perform any obligation hereunder are contractual in nature. It shall never be necessary for the Lessor to allege or prove a cause of action in tort based upon any breach hereof. This lease contract is specifically made performable in the County where said lands are located.

10. Lessor shall have access to all drilling information and, at Lessor's sole risk, access to the rig floor for all wells drilled on said lands. Lessee shall furnish Lessor with copies of all reports filed by Lessee with the Railroad Commission of Texas or other governmental authority having jurisdiction relating to the location, drilling, completion and plugging and abandonment of each well drilled by Lessee hereunder, with daily reports of the progress of the drilling and completion of each well, with a copy of each electric log, mud log, sample log, and drillstem or production test made or taken in each well, and with a copy of all ground surveys made on said lands.

Lessee shall, to the extent Lessee has the right to do so, furnish Lessor, at Lessee's sole cost and expense, one complete copy of all original geophysical data (including field tapes and associated support data, shot point location maps, survey notes, velocity data and surface elevation of shot points), and any geophysical interpretations thereof (without representation or warranty as to the accuracy thereof), obtained by Lessee with respect to all or any portion of said lands within thirty (30) days after obtaining the same. All information provided by Lessee to Lessor under this paragraph 10 that is not public information shall be maintained as confidential by Lessor until the earlier of October 6, 2015, or the expiration of this lease.

11. Except as otherwise provided herein, Lessee shall have the right at any time during or within six (6) months after the expiration of this lease as to any portion of the said lands, to remove all property and fixtures placed by Lessee on any such portion of said lands, including the right to draw and remove all casing, then belonging to Lessee and not taken over by Lessor under some other provision of this lease. If Lessee fails to remove such property and fixtures within said six (6) months, such property and fixtures shall at the election of Lessor, either become owned by Lessor or Lessor may have such property removed at the sole expense of Lessee; provided, however, Lessee shall not be relieved of its liability to plug any well so abandoned. Lessee shall have no right to remove and shall leave in place all cattleguards and gates installed by Lessee on said lands.

12. All rights of Lessor hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors, executors, administrators and assigns of Lessor, but no change or division in ownership of said lands or of the rentals and royalties payable to Lessor hereunder shall operate to enlarge the obligations or diminish the rights of Lessee; and no such change or division in ownership shall be binding on Lessee until the person acquiring any interest has furnished Lessee with a copy of the instrument, reflecting the recording data, constituting his chain of title from the original Lessor. In order to assure Lessor that operations hereunder shall be conducted by responsible parties for the mutual benefit of Lessor and Lessee, Lessee agrees that no assignment of all or any part of Lessee's interest in this lease shall be made without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Any purported assignment of this lease by Lessee without the prior written consent of Lessor shall be void and of no force and effect. Lessee shall give Lessor prompt written notice of any permitted assignment of this lease as to all or any portion of the said lands and such notice shall be accompanied by a true copy of the instrument effecting such assignment. All rights and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and permitted assigns of each party. All covenants and agreements contained in this lease shall constitute covenants running with the land.

13. Should Lessee be prevented from complying with any express or implied covenants of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of force majeure, or by any federal or state law or any order, rule or regulation

of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; the time provided for compliance shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas from the said lands, and the time while Lessee is so prevented shall not be counted against Lessee. However, nothing herein shall excuse Lessee from paying, or extending the time for paying, any rental, royalty, shut-in gas royalty or other payment payable in money hereunder, or serve to extend the primary term of this lease beyond four (4) years from the date hereof or permit Lessee to maintain this lease in force and effect by shut-in gas well royalty payment for any period longer than two (2) consecutive years after the end of the primary term.

14. The lease is executed without warranty of title, either express or implied. If Lessor owns an interest in said lands less than the entire oil and gas fee simple estate, then the royalties to be paid Lessor hereunder shall be reduced proportionately.

15. Notwithstanding any other provision herein contained to the contrary, this is not a community lease and this lease shall not be deemed to pool the royalties among the parties who comprise Lessor, and royalties shall be payable on the basis of ownership of the lands where any producing well is located. This lease may not be pooled or unitized except with the express written consent of Lessor.

16. All notices permitted or required to be given hereunder shall be in writing and shall be deemed to have been given if sent by United States mail, postage prepaid, properly addressed, or delivered in person to the party to whom such notice is to be given at the following addresses:

LESSOR:

James R. Currie, Individually
and as Trustee, and Jimmie R. Currie
P. O. Box 357
Garden City, Texas 79739

Cynthia C. Howard
2600 Inwood Ct.
Midland, Texas 79705

Darla C. Taylor
2 Hanover Dr.
Midland, Texas 79705

With copy in each case to:

Bill Howard
500 W. Illinois, Suite 300
Midland, Texas 79701

LESSEE:

Henry Petroleum LP
550 W. Texas Ave., Suite 1300
Midland, Texas 79701

17. If Lessee purchases abstracts of title covering all or any portion of said lands, Lessee agrees to give such abstracts to Lessor when Lessee has completed its title examination with respect to said lands. If Lessee drills a well on said lands, Lessee, at its sole cost and expense, shall supplement to the date of this lease Lessor's abstracts covering each section of land where each well is located.

18. If Lessee enters into a gas purchase contract covering gas produced from said lands which contains what is commonly referred to as a "take or pay provision" (such provision meaning that the gas purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a specified price or to make minimum periodic payments with producer for gas

not taken by the purchaser) and the purchaser under such gas purchase contract makes payments to Lessee by virtue of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to one-fourth (1/4) of all such sums paid to Lessee or producer under the "pay" provisions of such gas purchase contract. Said royalty payments shall be due and owing to Lessor within sixty (60) days after receipt of such payments by Lessee. Any royalty payments made to Lessor under the "pay" obligation of any "take or pay" gas contract shall be applied as a credit towards Lessee's royalty obligation. If the gas purchaser makes up such gas within the period called for in the gas contract, and Lessee is required to give such purchaser a credit for gas previously paid for but not taken, then Lessor shall not be entitled to royalty on such make-up gas. If Lessee is not producing gas in paying quantities from said lands but is receiving payments under the "pay" portion of such "take or pay" gas purchase contract provision, such payments shall not relieve Lessee of the duty to make shut-in royalty payments if Lessee desires to continue this lease, but such "take or pay" royalty payments shall be applied as a credit against any shut-in royalty obligation of the Lessee. Lessor shall be a third party beneficiary of any gas purchase contract and/or transportation agreement entered into between Lessee and any purchaser and/or transporter of Lessor's gas, irrespective of any provision of any such contract to the contrary. Lessor shall be entitled to one-fourth (1/4) of the value of any benefits obtained by or granted to Lessee from any gas purchaser and/or transporter from the amendment, modification, extension, alteration, consolidation, transfer, translation or settlement of any such gas purchase contract and/or transportation agreement.

19. Lessor has executed and delivered to Lessee a Memorandum of Oil and Gas Lease of even date herewith. It is agreed that in lieu of recording this lease in its entirety, only the Memorandum of Oil and Gas Lease will be recorded by Lessee unless the prior written consent of Lessor is first obtained by Lessee.

20. If Lessee has entered into and consummated an agreement to acquire and/or has acquired within one (1) year prior to the date of this lease, or if Lessee or its successors or assigns hereafter enter into and consummate an agreement to acquire and/or do acquire within one (1) year after the date of this lease, any oil and gas rights from other mineral owners in said lands or any oil and gas rights from other mineral owners covering more than 100 net mineral acres in lands within two and one-half (2.50) miles of the outside boundary of the lands covered by this lease, which lease or agreement provides for a greater lessor bonus payment or lessor royalty fraction than is provided in, or is paid in connection with, this lease, Lessor shall be entitled to the same economic benefits as are provided to any such other mineral owners. Lessee shall submit to Lessor a copy of any such approved lease contract and draft or statement of bonus payment, as applicable, and shall within thirty (30) days thereafter make any required payments to Lessor or execute any required amendments to this lease as are necessary to entitle Lessor to such benefits from and after the date of this lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this instrument is executed as of the day, month and year first hereinabove written.

LESSOR:

James R. Currie

JAMES R. CURRIE, INDIVIDUALLY AND AS TRUSTEE

Jimmie R. Currie

JIMMIE R. CURRIE

Cynthia C. Howard

CYNTHIA C. HOWARD

Darla C. Taylor

DARLA C. TAYLOR

LESSEE:

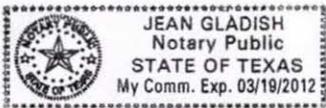
HENRY PETROLEUM LP

By: Concho GP LLC,
its General Partner

By: M.G. Hyde
Name: Matthew G. Hyde
Title: VP Exploration & Land

THE STATE OF TEXAS §
COUNTY OF Midland §

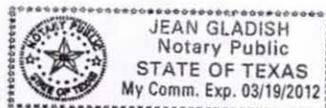
This instrument was acknowledged before me on this 6th day of October, 2008, by JAMES R. CURRIE, INDIVIDUALLY AND AS TRUSTEE.



Jean Gladish
NOTARY PUBLIC State of Texas

THE STATE OF TEXAS §
COUNTY OF Midland §

This instrument was acknowledged before me on this 6th day of October, 2008, by JIMMIE R. CURRIE.



Jean Gladish
NOTARY PUBLIC State of Texas

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 6th day of October, 2008,
by CYNTHIA C. HOWARD.



Jean Gladish
NOTARY PUBLIC - State of Texas

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 6th day of October, 2008,
by DARLA C. TAYLOR.



Jean Gladish
NOTARY PUBLIC - State of Texas

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 12th day of November, 2008,
by Matthew G. Hyde, V.P. Exploration; Land of Concho
GP LLC, General Partner of HENRY PETROLEUM LP, a Texas limited partnership on behalf of
said limited partnership.



Romae J. Bell
NOTARY PUBLIC - State of Texas

7.

File No. MF112866

Please

Date Filed: 5/26/11
Jerry E. Patterson, Commissioner

By: [Signature]

2011

AFFIDAVIT OF MERGER

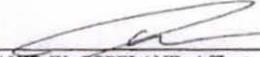
STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF MIDLAND §

On this day personally appeared before me DAVID W. COPELAND, who, upon being by me first duly sworn, did depose and say as follows:

1. I am DAVID W. COPELAND, Vice President of COG Operating LLC, a Delaware limited liability company. I am over the age of eighteen (18) years and have personal knowledge of all of the matters set forth in this Affidavit.
2. Effective at 9:15 a.m., CST, on January 1, 2009, COG OIL & GAS LP, a Texas limited partnership, merged with and into COG OPERATING LLC, a Delaware limited liability company, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "A" are true and correct copies of the Certificates of Merger issued by the Secretaries of State of Texas and Delaware evidencing the merger of COG OIL & GAS LP with and into COG OPERATING LLC.
3. Effective at 9:45 a.m., CST, on January 1, 2009, CONCHO OIL & GAS HOLDINGS LP, a Texas limited partnership, merged with and into COG OPERATING LLC, a Delaware limited liability company, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "B" are true and correct copies of the Certificates of Merger issued by the Secretaries of State of Texas and Delaware evidencing the merger of CONCHO OIL & GAS HOLDINGS LP with and into COG OPERATING LLC.
4. Effective at 10:15 a.m., CST, on January 1, 2009, AGUASAL HOLDING LLC, a Texas limited liability company, merged with and into HENRY PETROLEUM LP, a Texas limited partnership, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "C" is a true and correct copy of the Certificate of Merger issued by the Secretary of State of Texas evidencing the merger of AGUASAL HOLDING LLC with and into HENRY PETROLEUM LP.
5. Effective at 10:30 a.m., CST, on January 1, 2009, HENRY PETROLEUM LP, a Texas limited partnership, merged with and into COG OPERATING LLC, a Delaware limited liability company, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "D" are true and correct copies of the Certificates of Merger issued by the Secretaries of State of Texas and Delaware evidencing the merger of HENRY PETROLEUM LP with and into COG OPERATING LLC.

6. By virtue of the above-recited mergers, on January 1, 2009, COG OPERATING LLC succeeded to and became vested with the ownership of all the properties and assets, real, personal and mixed, of every kind and character and all debts, liabilities and duties of COG OIL & GAS LP, CONCHO OIL & GAS HOLDINGS LP, AGUASAL HOLDING LLC and HENRY PETROLEUM LP.

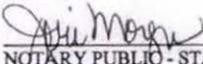
EXECUTED this 5th day of January, 2009.



 DAVID W. COPELAND, Affiant

SUBSCRIBED AND SWORN TO before me by DAVID W. COPELAND, this 5th day of January, 2009, to certify which witness my hand and seal of office.

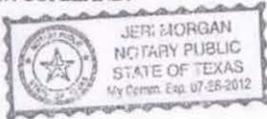


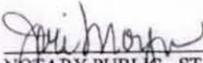


 NOTARY PUBLIC - STATE OF TEXAS

STATE OF TEXAS §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2009, by DAVID W. COPELAND.





 NOTARY PUBLIC - STATE OF TEXAS

FILED FOR RECORD
 Date 2/11/09
 at 10:03 o'clock A.M.
 WESLEY SMITH, Clerk
 By Sabrina Rogers D.C.
 Searcy Co. ARK

RECORDED and CERTIFIED
 In Book MISC #169
 Page 274-580 this 09 day
 of Feb 20 09
 of Wesley Smith Clerk
 Sabrina Rogers D.C.

EXHIBIT D

Certificates of Merger of
Henry Petroleum LP
into
COG Operating LLC

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that a filing instrument merging

HENRY PETROLEUM LP
Domestic Limited Partnership (LP)
[File Number: 14534710]

Into

COG Operating LLC
Foreign Limited Liability Company (LLC)
Delaware, USA
[File Number: 800364009]

has been received in this office and has been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by the virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing the acceptance and filing of the merger on the date shown below.

Dated: 12/18/2008

Effective: 01/01/2009 @ 10:30 a.m.



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

Phone: (512) 463-5555
Prepared by: Lisa Jones

Come visit us on the internet at <http://www.sos.state.tx.us/>
Fax: (512) 463-5709
TID: 10339

Dial: 7-1-1 for Relay Services
Document: 240429960002

CERTIFICATE OF MERGER
OF
HENRY PETROLEUM LP
(a Texas limited partnership)
INTO
COG OPERATING LLC
(a Delaware limited liability company)

FILED
In the Office of the
Secretary of State of Texas
DEC 18 2008
Corporations Section

In accordance with the provisions of 18-209 of the Delaware Limited Liability Company Act ("DLLCA") and Article 2.11 of the Texas Revised Limited Partnership Act (the "TRLPA"), the undersigned constituent entities submit the following Certificate of Merger adopted for filing and hereby certify that:

1. The name and jurisdiction of formation or organization of each of the limited liability companies and other entities which are to merge are:

<u>Name of Entity</u>	<u>Type of Entity</u>	<u>State of Organization or Formation</u>
Henry Petroleum LP	Limited Partnership	Texas
COG Operating LLC	Limited Liability Company	Delaware

2. An Agreement and Plan of Merger (the "*Plan of Merger*") providing for the merger (the "*Merger*") of Henry Petroleum LP, a Texas limited partnership ("*Henry*"), with and into COG Operating LLC, a Delaware limited liability company ("*COG*," together with Henry, the "*Entities*"), has been adopted, approved and executed in accordance with the provisions of 18-209 of the DLLCA and Article 2.11 of the TRLPA.

3. The Plan of Merger has been duly authorized by all action required by the laws under which the Entities are formed or organized and by the constituent documents of each Entity.

4. The Merger of Henry with and into COG will be effective at 10:30 a.m. CST (11:30 a.m. EST), on January 1, 2009.

5. The executed Plan of Merger is on file at the principal place of business of COG. The address of the principal office of COG is 550 West Texas Avenue, Suite 100, Midland, Texas 79701.

6. A copy of the Plan of Merger will be furnished by COG, on request and without cost, to any member of Henry or COG.

7. The Merger shall not result in any amendments to the Certificate of Formation of COG, which shall be the Certificate of Formation of COG as the surviving entity after the Merger.

8. Henry has complied with the provisions of its Agreement of Limited Partnership regarding furnishing partners copies or summaries of the Plan of Merger and notices regarding the Merger.

9. The Merger shall not result in a member of Henry or COG becoming personally liable for the liabilities or obligations of any other person.

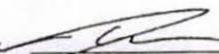
10. COG will be responsible for the payment of all fees and franchise taxes assessed upon the Entities, and COG will be obligated to pay such fees and franchise taxes if the same are not timely paid.

[Signature page follows]

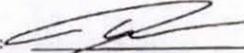
IN WITNESS WHEREOF, the undersigned have duly executed this Certificate of Merger
as of January 1, 2009.

HENRY PETROLEUM LP

By: COG Operating LLC,
its general partner

By: 
Name: David W. Copeland
Title: Vice President

COG OPERATING LLC

By: 
Name: David W. Copeland
Title: Vice President

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"HENRY PETROLEUM LP", A TEXAS LIMITED PARTNERSHIP,
WITH AND INTO "COG OPERATING LLC" UNDER THE NAME OF "COG OPERATING LLC", A LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE EIGHTEENTH DAY OF DECEMBER, A.D. 2008, AT 7:06 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE FIRST DAY OF JANUARY, A.D. 2009, AT 11:30 O'CLOCK A.M.

3793530 8100M

081211919

You may verify this certificate online
at corp.delaware.gov/authver.shtml



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State
AUTHENTICATION: 7044266

DATE: 12-23-08

**CERTIFICATE OF MERGER
OF
HENRY PETROLEUM LP
(a Texas limited partnership)
INTO
COG OPERATING LLC
(a Delaware limited liability company)**

In accordance with the provisions of 18-209 of the Delaware Limited Liability Company Act ("DLLCA") and Article 2.11 of the Texas Revised Limited Partnership Act (the "TRLPA"), the undersigned constituent entities submit the following Certificate of Merger adopted for filing and hereby certify that:

1. The name and jurisdiction of formation or organization of each of the limited liability companies and other entities which are to merge are:

<u>Name of Entity</u>	<u>Type of Entity</u>	<u>State of Organization or Formation</u>
Henry Petroleum LP	Limited Partnership	Texas
COG Operating LLC	Limited Liability Company	Delaware

2. An Agreement and Plan of Merger (the "*Plan of Merger*") providing for the merger (the "*Merger*") of Henry Petroleum LP, a Texas limited partnership ("*Henry*"), with and into COG Operating LLC, a Delaware limited liability company ("*COG*," together with Henry, the "*Entities*"), has been adopted, approved and executed in accordance with the provisions of 18-209 of the DLLCA and Article 2.11 of the TRLPA.

3. The Plan of Merger has been duly authorized by all action required by the laws under which the Entities are formed or organized and by the constituent documents of each Entity.

4. The Merger of Henry with and into COG will be effective at 10:30 a.m. CST (11:30 a.m. EST), on January 1, 2009.

5. The executed Plan of Merger is on file at the principal place of business of COG. The address of the principal office of COG is 550 West Texas Avenue, Suite 100, Midland, Texas 79701.

6. A copy of the Plan of Merger will be furnished by COG, on request and without cost, to any member of Henry or COG.

7. The Merger shall not result in any amendments to the Certificate of Formation of COG, which shall be the Certificate of Formation of COG as the surviving entity after the Merger.

8. Henry has complied with the provisions of its Agreement of Limited Partnership regarding furnishing partners copies or summaries of the Plan of Merger and notices regarding the Merger.

9. The Merger shall not result in a member of Henry or COG becoming personally liable for the liabilities or obligations of any other person.

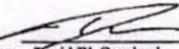
10. COG will be responsible for the payment of all fees and franchise taxes assessed upon the Entities, and COG will be obligated to pay such fees and franchise taxes if the same are not timely paid.

[Signature page follows]

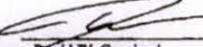
IN WITNESS WHEREOF, the undersigned have duly executed this Certificate of Merger
as of December 18, 2008.

HENRY PETROLEUM LP

By: COG Operating LLC,
its general partner

By: 
Name: David W. Copeland
Title: Vice President

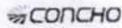
COG OPERATING LLC

By: 
Name: David W. Copeland
Title: Vice President

[Signature Page to Certificate of Merger]

28134 SEARCY COUNTY AND CIRCUIT CLERK FEE ACCOUNT
Marshall, Searcy County, Ark. 2/19/2009
RECEIVED OF FEB 12 2009 COG Operating LLC \$180.00
One Eighty and no/100 DOLLARS
FOR misc pg 274-290
Amt. Due \$ CASH
Amt. Paid \$180 CHECK
Balance \$
WESLEY SMITH, CLERK
By: Sabrina Rogers, D.C.

JIM HARRIS & ASSOCIATES



WELL CHRONOLOGY REPORT

WELL NAME : CURRIE "A" #402		DIVISION: TEXAS	EVENT: 1
FIELD : GARDEN CITY S		LOCATION :	
COUNTY & STATE : GLASSCOCK TX		CONTRACTOR : FELDERHOFF	
WI % :	AFE # : 424207_0402_1	API # : 42-173-33838	PLAN DEPTH : 9,350
DHC : \$573,576	CWC : \$917,424	AFE TOTAL : \$1,491,000	SPUD DATE : 12/23/2010
			FORMATION : WELL TEST

REPORT DATE: 12/23/2010	MD: 0	TVD: 0	DAYS: 1	MW:	VISC:
DAILY DC: \$101,560		CC: \$0		TC: \$101,560	
CUM DC: \$101,560		CC: \$0		TC: \$101,560	

DAILY DETAILS:

RIG DOWN / MOVE OUT MOVE RIG SET SUB, RAISE DERRICK, SPOT BUILDINGS & PIPE TUBS RIG UP GROUND

REPORT DATE: 12/24/2010	MD: 0	TVD: 0	DAYS: 2	MW:	VISC:
DAILY DC: \$31,737		CC: \$0		TC: \$31,737	
CUM DC: \$133,297		CC: \$0		TC: \$133,297	

DAILY DETAILS:

INSTALL FLOORPLATES WELD ON CONDUCTOR PIPE RIG UP FLOOR / REPAIR ADJITATERS ON PITS RIG UP / PUT TOGETHER GAS BUSTAR 4" & BOWWIELINE / MIX SPUD MUD / REPAIR LIGHTS

REPORT DATE: 12/25/2010	MD: 2,048	TVD: 2,048	DAYS: 3	MW: 9.8	VISC: 33
DAILY DC: \$20,252		CC: \$0		TC: \$20,252	
CUM DC: \$153,549		CC: \$0		TC: \$153,549	

DAILY DETAILS:

RIG INSP / AMEND INSPECTION SPUD 11" SURFACE HOLE 08:30 12-24-10. DRLG 0-275' 275' @ 183'FPH WOB ALL RPM 60-90 WLS 232' @ 0.5 DEGREE DRLG F/ 275' - 426' 151' @ 171'FPH WOB 15-20 RPM 110-130 UNSTOP FLOWWLINE & REPAIR CELLARJET DRLG F/ 426' - 775' 349' @ 100'FPH WOB 10-30 RPM 110-130 WLS 731' @ 0.5 DEGREE DRLG F/ 775' - 1242' 487' @ 116'FPH WOB 25-32 RPM 90-120 WLS 1242' @ 0.9 DEGREE DRLG F/ 1242' - 1753' 511' @ 113'FPH WOB 32-38 RPM 90-120 WLS 1709' @ 0.5 DEGREE DRLG F/ 1753' - 2048' 295' @ 98'FPH WOB 28-38 RPM 90-120 CIRCULATE RUN FLUID CALLIPER TWICE 28MIN 52 SEC

REPORT DATE: 12/26/2010	MD: 2,048	TVD: 2,048	DAYS: 4	MW: 9.8	VISC: 32
DAILY DC: \$108,906		CC: \$0		TC: \$108,906	
CUM DC: \$262,455		CC: \$0		TC: \$262,455	

DAILY DETAILS:

CIRCULATE RUN FLUID CALLIPER WLS 1998' @ 0.0 DEGREE TOH LD 8" DC & RMR SHOCK RIG UP LD TRUCK & CSG CREW SAFETY MEETING W/ CREWS RUN 8 5/8 CSG 49 JTS TO 2048' CIRCULATE / RD CSG CREW & L.D. MACH SAFETY MEETING W/ B J RIG UP B J CMNT 8 5/8 CSG WOC CUT OFF CONDUCTOR & CSG WELD ON BOWL TEST TO 500 PSI OK NIPLE UP STACK

REPORT DATE: 12/27/2010	MD: 2,550	TVD: 2,550	DAYS: 5	MW: 8.5	VISC: 28
DAILY DC: \$22,460		CC: \$0		TC: \$22,460	
CUM DC: \$284,915		CC: \$0		TC: \$284,915	

DAILY DETAILS:

NIPLE UP BOP / INSTALL WEARBUSHING TEST CSG 30 MIN 500 PSI (OK) TEST BLINDRAMS, 4" & 2" 500-1500 (OK), TEST MANIFOLD INSIDE OUTSIDE 4" & 2" 500-1500 (OK) SERVICE RIG PICK UP TRICONE BIT & TIH TO 416' TEST UPPER & LOWER K.V., PIPERAMS, ANNULAR & 2" KILL 500 - 1500 (OK) DRILL OUT D.V. TOOL 416' TO 418' 10-15 WOB 60 RPM TOH PICK UP 7 7/8 PACKED HOLE ASSEMBLY TIH TO 1929' INSTALL ROTATING HEAD & DRIVER WASH TO BTM TAG PLUG 1981' DRLG PLUG, FLOAT, & CMNT DRLG F/ 2048' - 2511' 463' @ 62'FPH WOB 20-24 RPM 70-80 2 PUMPS @ 550 GPM WLS 2467' @ 0.2 DEGREE DRLG F/ 2467' - 2550' 83' @ 55'FPH WOB 20-24 RPM 70-80 2 PUMPS 567 GPM

REPORT DATE: 12/28/2010	MD: 3,500	TVD: 3,500	DAYS: 6	MW: 8.4	VISC: 28
DAILY DC: \$23,340		CC: \$0		TC: \$23,340	
CUM DC: \$308,255		CC: \$0		TC: \$308,255	

DAILY DETAILS:

DRLG F/ 2550' - 2880' 330' @ 39'FPH WOB 23-25 RPM 75 569 GPM SERVICE RIG DRLG F/ 2880' - 2975' 95' @ 38'FPH WOB 23-25 RPM 75-80 400 GPM WLS 2925' @ 0.5 DEGREE DRLG F/ 2975'-3194' 219' @ 40'FPH WOB 23-25 RPM 75-80 GPM 400 RE ADJUST WEIGHT INDICATORS MOVE & PUMP UP DRLG F/ 3194' - 3500' 306' @ 51'FPH WOB 23-25 RPM 75-80 GPM 400



550 W. Texas Ave., Ste. 1200
 Midland, Texas 79701
 Telephone: (432) 683-7443
 Telecopy: (432) 684-7137

FAX COVER SHEET

DATE: 6-10-11

PRIVILEGED AND CONFIDENTIAL

THE INFORMATION TRANSMITTED BY THIS FACSIMILE IS CONSIDERED PRIVILEGED AND CONFIDENTIAL, AND IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED. 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 SHOULD BE AWARE THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

TO: George Martin FAX NO: (512) 475-1543
General Land Office

FROM: Joe Britt Dutton

RE: Documents You Requested for Glasscock County
Application to lease Highway 158 ROW Sections

404 & 45:

1. Menger documents - Henry Petroleum to COG Operating
- 2 - Curare "A" 402 well drilling report
- 3 - Curare "A" 402 plat

This fax consists of 17 pages, including this cover page.

If you have difficulty in receiving, please call (432) 818-2211.

AFFIDAVIT OF MERGER

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF MIDLAND §

On this day personally appeared before me DAVID W. COPELAND, who, upon being by me first duly sworn, did depose and say as follows:

1. I am DAVID W. COPELAND, Vice President of COG Operating LLC, a Delaware limited liability company. I am over the age of eighteen (18) years and have personal knowledge of all of the matters set forth in this Affidavit.
2. Effective at 9:15 a.m., CST, on January 1, 2009, **COG OIL & GAS LP**, a Texas limited partnership, merged with and into **COG OPERATING LLC**, a Delaware limited liability company, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "A" are true and correct copies of the Certificates of Merger issued by the Secretaries of State of Texas and Delaware evidencing the merger of **COG OIL & GAS LP** with and into **COG OPERATING LLC**.
3. Effective at 9:45 a.m., CST, on January 1, 2009, **CONCHO OIL & GAS HOLDINGS LP**, a Texas limited partnership, merged with and into **COG OPERATING LLC**, a Delaware limited liability company, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "B" are true and correct copies of the Certificates of Merger issued by the Secretaries of State of Texas and Delaware evidencing the merger of **CONCHO OIL & GAS HOLDINGS LP** with and into **COG OPERATING LLC**.
4. Effective at 10:15 a.m., CST, on January 1, 2009, **AGUASAL HOLDING LLC**, a Texas limited liability company, merged with and into **HENRY PETROLEUM LP**, a Texas limited partnership, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "C" is a true and correct copy of the Certificate of Merger issued by the Secretary of State of Texas evidencing the merger of **AGUASAL HOLDING LLC** with and into **HENRY PETROLEUM LP**.
5. Effective at 10:30 a.m., CST, on January 1, 2009, **HENRY PETROLEUM LP**, a Texas limited partnership, merged with and into **COG OPERATING LLC**, a Delaware limited liability company, in accordance with the provisions of the Texas Revised Limited Partnership Act. Attached hereto as Exhibit "D" are true and correct copies of the Certificates of Merger issued by the Secretaries of State of Texas and Delaware evidencing the merger of **HENRY PETROLEUM LP** with and into **COG OPERATING LLC**.

6. By virtue of the above-recited mergers, on January 1, 2009, **COG OPERATING LLC** succeeded to and became vested with the ownership of all the properties and assets, real, personal and mixed, of every kind and character and all debts, liabilities and duties of **COG OIL & GAS LP, CONCHO OIL & GAS HOLDINGS LP, AGUASAL HOLDING LLC** and **HENRY PETROLEUM LP**.

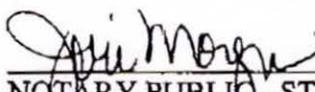
EXECUTED this 5th day of January, 2009.



DAVID W. COPELAND, Affiant

SUBSCRIBED AND SWORN TO before me by DAVID W. COPELAND, this 5th day of January, 2009, to certify which witness my hand and seal of office.

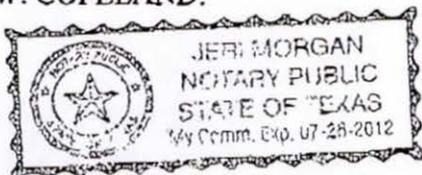


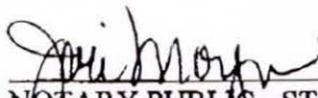


NOTARY PUBLIC - STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2009, by DAVID W. COPELAND.





NOTARY PUBLIC - STATE OF TEXAS

FILED FOR RECORD

Date 2/19/2009
at 10:03 o'clock A.M.
WESLEY SMITH, Clerk
By Sabrina Rogers D.C.

ARK

RECORDED and CERTIFIED

In Book MISC # 1029
Page 274-290 this 09 day
of Feb 20 09
Wesley Smith Clerk
Sabrina Rogers D.C.

EXHIBIT D

**Certificates of Merger of
Henry Petroleum LP
into
COG Operating LLC**

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that a filing instrument merging

HENRY PETROLEUM LP
Domestic Limited Partnership (LP)
[File Number: 14534710]

Into

COG Operating LLC
Foreign Limited Liability Company (LLC)
Delaware, USA
[File Number: 800364009]

has been received in this office and has been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by the virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing the acceptance and filing of the merger on the date shown below.

Dated: 12/18/2008

Effective: 01/01/2009 @ 10:30 a.m.



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

CERTIFICATE OF MERGER
OF
HENRY PETROLEUM LP
(a Texas limited partnership)
INTO
COG OPERATING LLC
(a Delaware limited liability company)

FILED
In the Office of the
Secretary of State of Texas

DEC 18 2008

Corporations Section

In accordance with the provisions of 18-209 of the Delaware Limited Liability Company Act ("**DLCA**") and Article 2.11 of the Texas Revised Limited Partnership Act (the "**TRLPA**"), the undersigned constituent entities submit the following Certificate of Merger adopted for filing and hereby certify that:

1. The name and jurisdiction of formation or organization of each of the limited liability companies and other entities which are to merge are:

<u>Name of Entity</u>	<u>Type of Entity</u>	<u>State of Organization or Formation</u>
Henry Petroleum LP	Limited Partnership	Texas
COG Operating LLC	Limited Liability Company	Delaware

2. An Agreement and Plan of Merger (the "**Plan of Merger**") providing for the merger (the "**Merger**") of Henry Petroleum LP, a Texas limited partnership ("**Henry**"), with and into COG Operating LLC, a Delaware limited liability company ("**COG**;" together with Henry, the "**Entities**"), has been adopted, approved and executed in accordance with the provisions of 18-209 of the DLCA and Article 2.11 of the TRLPA.

3. The Plan of Merger has been duly authorized by all action required by the laws under which the Entities are formed or organized and by the constituent documents of each Entity.

4. The Merger of Henry with and into COG will be effective at 10:30 a.m. CST (11:30 a.m. EST), on January 1, 2009.

5. The executed Plan of Merger is on file at the principal place of business of COG. The address of the principal office of COG is 550 West Texas Avenue, Suite 100, Midland, Texas 79701.

6. A copy of the Plan of Merger will be furnished by COG, on request and without cost, to any member of Henry or COG.

7. The Merger shall not result in any amendments to the Certificate of Formation of COG, which shall be the Certificate of Formation of COG as the surviving entity after the Merger.

8. Henry has complied with the provisions of its Agreement of Limited Partnership regarding furnishing partners copies or summaries of the Plan of Merger and notices regarding the Merger.

9. The Merger shall not result in a member of Henry or COG becoming personally liable for the liabilities or obligations of any other person.

10. COG will be responsible for the payment of all fees and franchise taxes assessed upon the Entities, and COG will be obligated to pay such fees and franchise taxes if the same are not timely paid.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Certificate of Merger as of January 1, 2009.

HENRY PETROLEUM LP

By: COG Operating LLC,
its general partner

By: 
Name: David W. Copeland
Title: Vice President

COG OPERATING LLC

By: 
Name: David W. Copeland
Title: Vice President

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

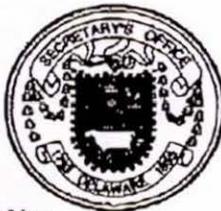
"HENRY PETROLEUM LP", A TEXAS LIMITED PARTNERSHIP,
WITH AND INTO "COG OPERATING LLC" UNDER THE NAME OF "COG OPERATING LLC", A LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE EIGHTEENTH DAY OF DECEMBER, A.D. 2008, AT 7:06 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE FIRST DAY OF JANUARY, A.D. 2009, AT 11:30 O'CLOCK A.M.

3793530 8100M

081211919

You may verify this certificate online
at corp.delaware.gov/authver.shtml



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 7044266

DATE: 12-23-08

State of Delaware
 Secretary of State
 Division of Corporations
 Delivered 07:01 PM 12/18/2008
 FILED 07:06 PM 12/18/2008
 SRV 081211919 - 3793530 FILE

**CERTIFICATE OF MERGER
 OF
 HENRY PETROLEUM LP
 (a Texas limited partnership)
 INTO
 COG OPERATING LLC
 (a Delaware limited liability company)**

In accordance with the provisions of 18-209 of the Delaware Limited Liability Company Act ("**DLLCA**") and Article 2.11 of the Texas Revised Limited Partnership Act (the "**TRLPA**"), the undersigned constituent entities submit the following Certificate of Merger adopted for filing and hereby certify that:

1. The name and jurisdiction of formation or organization of each of the limited liability companies and other entities which are to merge are:

<u>Name of Entity</u>	<u>Type of Entity</u>	<u>State of Organization or Jurisdiction</u>
Henry Petroleum LP	Limited Partnership	Texas
COG Operating LLC	Limited Liability Company	Delaware

2. An Agreement and Plan of Merger (the "**Plan of Merger**") providing for the merger (the "**Merger**") of Henry Petroleum LP, a Texas limited partnership ("**Henry**"), with and into COG Operating LLC, a Delaware limited liability company ("**COG**," together with Henry, the "**Entities**"), has been adopted, approved and executed in accordance with the provisions of 18-209 of the DLLCA and Article 2.11 of the TRLPA.

3. The Plan of Merger has been duly authorized by all action required by the laws under which the Entities are formed or organized and by the constituent documents of each Entity.

4. The Merger of Henry with and into COG will be effective at 10:30 a.m. CST (11:30 a.m. EST), on January 1, 2009.

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6. A copy of the Plan of Merger will be furnished by COG, on request and without cost, to any member of Henry or COG.

7. The Merger shall not result in any amendments to the Certificate of Formation of COG, which shall be the Certificate of Formation of COG as the surviving entity after the Merger.

8. Henry has complied with the provisions of its Agreement of Limited Partnership regarding furnishing partners copies or summaries of the Plan of Merger and notices regarding the Merger.

9. The Merger shall not result in a member of Henry or COG becoming personally liable for the liabilities or obligations of any other person.

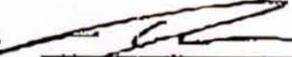
10. COG will be responsible for the payment of all fees and franchise taxes assessed upon the Entities, and COG will be obligated to pay such fees and franchise taxes if the same are not timely paid.

[Signature page follows]

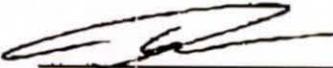
IN WITNESS WHEREOF, the undersigned have duly executed this Certificate of Merger as of December 18, 2008.

HENRY PETROLEUM LP

By: COG Operating LLC,
its general partner

By: 
Name: David W. Copeland
Title: Vice President

COG OPERATING LLC

By: 
Name: David W. Copeland
Title: Vice President

(Signature Page to Certificate of Merger)

28134		SEARCY COUNTY AND CIRCUIT CLERK FEE ACCOUNT	
FEB 12 2009		Marshall, Searcy County, Ark,	2/9/2009
RECEIVED OF	COG Operating LLC	\$ 180.00	
	One Eighty and no/100		DOLLARS
FOR	MISC pg 274-290		
Amt. Due \$		CASH	
Amt. Paid \$	180.00	CHECK	
Balance \$			
		WESLEY SMITH, CLERK	
		By: Sabrina Rogers, D.C.	

JIM HARRIS & ASSOCIATES



WELL CHRONOLOGY REPORT

WELL NAME : CURRIE "A" #402		DIVISION: <u>TEXAS</u>	EVENT: <u>1</u>
FIELD <u>GARDEN CITY S</u>		LOCATION	
COUNTY & STATE: <u>GLASSCOCK TX</u>		CONTRACTOR: <u>FELDERHOFF</u>	
WI % :	AFE # : <u>424207 0402 1</u>	API # : <u>42-173-33838</u>	PLAN DEPTH : <u>9,350</u> SPUD DATE <u>12/23/2010</u>
DHC : <u>\$573,576</u>	CWC : <u>\$917,424</u>	AFE TOTAL <u>\$1,491,000</u>	FORMATION: <u>WELL TEST</u>

REPORT DATE: <u>12/23/2010</u>	MD: <u>0</u>	TVD: <u>0</u>	DAYS: <u>1</u>	MW:	VISC:
DAILY DC: <u>\$101,560</u>		CC: <u>\$0</u>		TC: <u>\$101,560</u>	
CUM DC: <u>\$101,560</u>		CC: <u>\$0</u>		TC: <u>\$101,560</u>	

DAILY DETAILS:

RIG DOWN / MOVE OUT MOVE RIG SET SUB, RAISE DERRICK, SPOT BUILDINGS & PIPE TUBS RIG UP GROUND

REPORT DATE: <u>12/24/2010</u>	MD: <u>0</u>	TVD: <u>0</u>	DAYS: <u>2</u>	MW:	VISC:
DAILY DC: <u>\$31,737</u>		CC: <u>\$0</u>		TC: <u>\$31,737</u>	
CUM DC: <u>\$133,297</u>		CC: <u>\$0</u>		TC: <u>\$133,297</u>	

DAILY DETAILS:

INSTALL FLOORPLATES WELD ON CONDUCTOR PIPE RIG UP FLOOR / REPAIR ADJITATERS ON PITS RIG UP / PUT TOGETHER GAS BUSTAR 4" & BOWWIELINE / MIX SPUD MUD /REPAIR LIGHTS

REPORT DATE: <u>12/25/2010</u>	MD: <u>2,048</u>	TVD: <u>2,048</u>	DAYS: <u>3</u>	MW: <u>9.8</u>	VISC: <u>33</u>
DAILY DC: <u>\$20,252</u>		CC: <u>\$0</u>		TC: <u>\$20,252</u>	
CUM DC: <u>\$153,549</u>		CC: <u>\$0</u>		TC: <u>\$153,549</u>	

DAILY DETAILS:

RIG INSP / AMEND INSPECTION SPUD 11" SURFACE HOLE 08:30 12-24-10 DRLG 0-275' 275' @ 183'FPH WOB ALL RPM 80-90 WLS 232' @ 0.6 DEGREE DRLG F/ 275' - 426' 151' @ 171'FPH WOB 15-20 RPM 110-130 UNSTOP FLOWWLINE & REPAIR CELLARJET DRLG F/ 426' - 775' 349' @ 100'FPH WOB 10-30 RPM 110-130 WLS 731' @ 0.5 DEGREE DRLG F/ 775'- 1242 467' @ 116'FPH WOB 25-32 RPM 90-120 WLS 1242' @ 0.9 DEGREE DRLG F/ 1242'- 1753' 511' @ 113'FPH WOB 32-38 RPM 90-120 WLS 1709' @ 0.5 DEGRE DRLG F/ 1753' - 2048' 295' @ 98'FPH WOB 28-38 RPM 90-120 CIRCULATE RUN FLUID CALLIPER TWICE 26MIN 52 SEC

REPORT DATE: <u>12/26/2010</u>	MD: <u>2,048</u>	TVD: <u>2,048</u>	DAYS: <u>4</u>	MW: <u>9.8</u>	VISC: <u>32</u>
DAILY DC: <u>\$108,906</u>		CC: <u>\$0</u>		TC: <u>\$108,906</u>	
CUM DC: <u>\$262,455</u>		CC: <u>\$0</u>		TC: <u>\$262,455</u>	

DAILY DETAILS:

CIRCULATE RUN FLUID CALLIPER WLS 1998' @ 0.0 DEGREE TOH LD 8" DC & RMR,SHOCK RIG UP LD TRUCK & CSG CREW SAFETY MEETING W/ CREWS RUN 8 5/8 CSG 49 JT'S TO 2048' CIRCULATE / RD CSG CREW & L.D. MACH SAFETY MEETING W/ B.J RIG UP B.J. CMNT 8 5/8 CSG WOC CUT OFF CONDUCTOR & CSG WELD ON BOWL TEST TO 500 PSI OK NIPLE UP STACK

REPORT DATE: <u>12/27/2010</u>	MD: <u>2,550</u>	TVD: <u>2,550</u>	DAYS: <u>5</u>	MW: <u>8.5</u>	VISC: <u>28</u>
DAILY DC: <u>\$22,460</u>		CC: <u>\$0</u>		TC: <u>\$22,460</u>	
CUM DC: <u>\$284,915</u>		CC: <u>\$0</u>		TC: <u>\$284,915</u>	

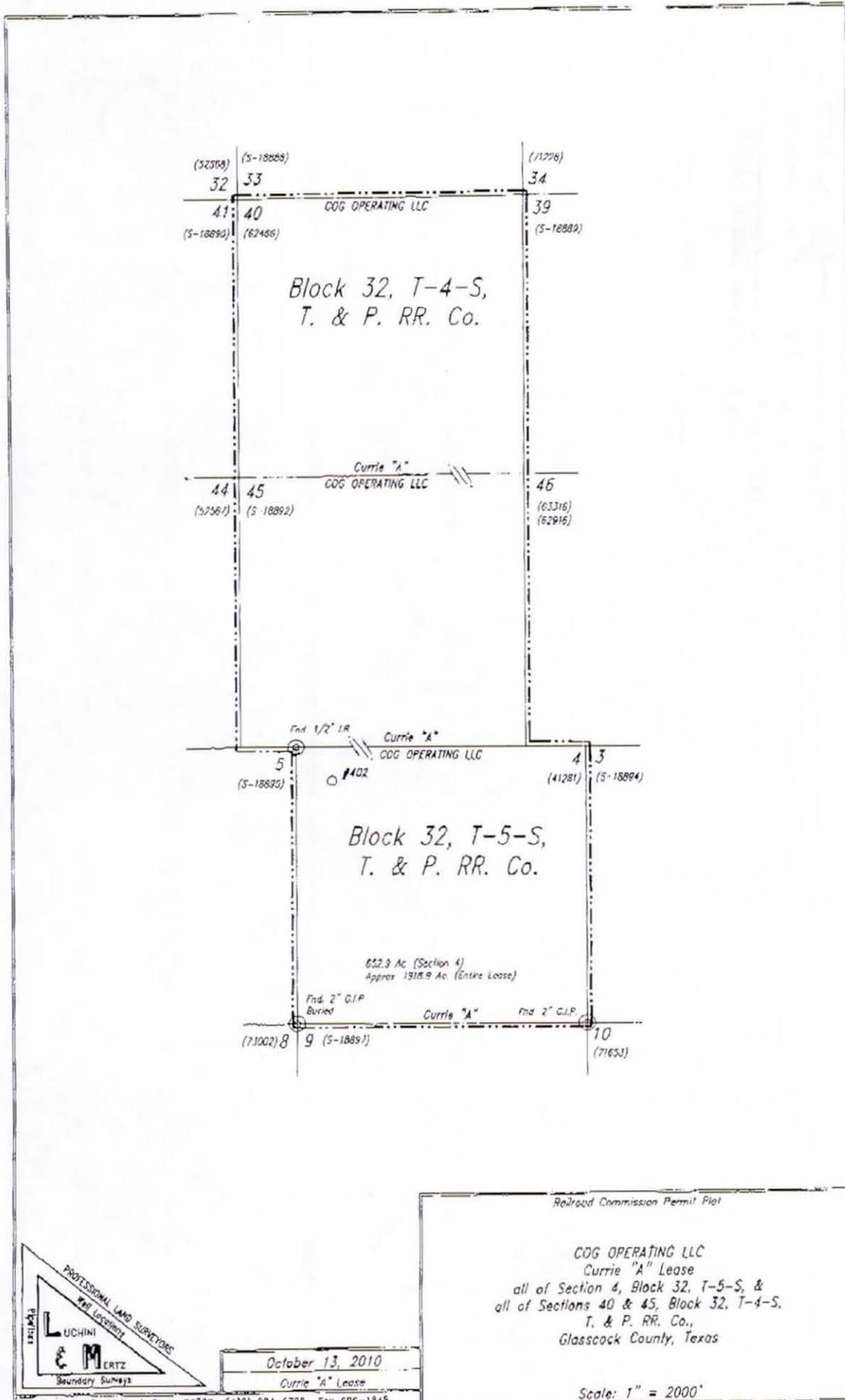
DAILY DETAILS:

NIPLE UP BOP / INSTALL WEARBUSHING TEST CSG 30 MIN 500 PSI {OK} TEST BLINDRAMS,4"& 2" 500-1500 {OK}, TEST MANIFOLD INSIDE OUTSIDE 4" & 2" 500-1500 {OK} SERVICE RIG PICK UP TRICONE BIT & TIH TO 416' TEST UPPER & LOWER K.V. , PIPERAMS, ANNULAR & 2" KILL 500 - 1500 {OK} DRILL OUT D.V. TOOL 416' TO 418' 10-15 WOB 60 RPM TOH PICK UP 7 7/8 PACKED HOLE ASSEMBLY TIH TO 1929' INSTALL ROTATING HEAD & DRIVER WASH TO BTTM TAG PLUG 1981' DRLG PLUG,FLOAT, & CMNT DRLG F/ 2048' - 2511' 463' @ 62'FPH WOB 20-24 RPM 70-80 2 PUMPS @ 550 GPM WLS 2467 @ 0.2 DEGREE DRLG F/ 2467' - 2550' 83' @ 55'FPH WOB 20-24 RPM 70-80 2 PUMPS 587 GPM

REPORT DATE: <u>12/28/2010</u>	MD: <u>3,500</u>	TVD: <u>3,500</u>	DAYS: <u>6</u>	MW: <u>8.4</u>	VISC: <u>28</u>
DAILY DC: <u>\$23,340</u>		CC: <u>\$0</u>		TC: <u>\$23,340</u>	
CUM DC: <u>\$308,255</u>		CC: <u>\$0</u>		TC: <u>\$308,255</u>	

DAILY DETAILS:

DRLG F/ 2550' - 2880' 330' @ 39'FPH WOB 23-25 RPM 75 569 GPM SERVICE RIG DRLG F/ 2880' - 2975' 95' @ 38'FPH WOB 23-25 RPM 75-80 400 GPM WLS 2925' @ 0.5 DEGREE DRLG F/ 2975'-3194' 219' @ 40'FPH WOB 23-25 RPM 75-80 GPM 400 RE ADJUST WEIGHT INDICATERS MOVE & PUMP UP DRLG F/ 3194' - 3500' 306' @ 51'FPH WOB 23-25 RPM 75-80 GPM 400



Block 32, T-4-S,
T. & P. RR. Co.

Block 32, T-5-S,
T. & P. RR. Co.

652.9 Ac (Section 4)
Approx 1918.9 Ac (Entire Lease)

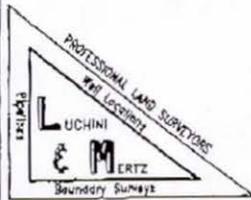
Railroad Commission Permit Plat

COG OPERATING LLC
Currie "A" Lease
all of Section 4, Block 32, T-5-S, &
all of Sections 40 & 45, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

October 13, 2010

Currie "A" Lease

Scale: 1" = 2000'



P. O. Box 1963 Midland, Texas 79702 (432) 684-6728 Fax 686-1845

File No. MF 112866

[Signature]

Date Filed: 5/26/11
Jerry E. Patterson, Commissioner

By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 19th, 2011

Mr. Joe Britt Dutton
Concho
550 West Texas Ave., Suite 100
Midland, TX 79701

Dear Mr. Dutton,

Re: State of Texas HROW Lease # MF 112866

Enclosed you will find an original executed Highway Right-of-Way lease in Glasscock County.

Please proof read the lease before filing of record and refer to this lease number with all correspondence.

Please have your client provide the GLO with a copy of the recorded Unit Designation for this lease.

If you have any questions please feel free to contact my direct phone number, or email address listed below, or contact George Martin at his direct number (512) 475-1512.

Best regards,

Beverly Boyd
Energy Resources
Mineral Leasing
512-463-6521
beverly.boyd@glo.state.tx.us

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

9.

File No. MF 112866

9th letter

Date Filed: 7/19/11

Jerry E. Patterson, Commissioner

By [Signature]



December 5, 2011

Romae Bell
Concho Operating, LLC
550 West Texas Ave., Suite 100
Midland, TX 79701

RE: GLO Assignment ID # 8047

Dear Ms. Bell,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Partial Assignment of Oil and Gas Leases, effective July 19th, 2011 from COG Operating, LLC, as Assignor, to Chevron Midcontinent, LP as Assignee. MF112866, Glasscock Co. Vol. 176, P. 031.

Filing fees of \$25.00 were received in connection with the above lease. If you have any questions, please feel free to contact me.

Sincerely,

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

WT

Exhibit "A"

<i>GLO ID</i>	<i>County</i>	<i>Lease</i>
8047	Glasscock	MF112866

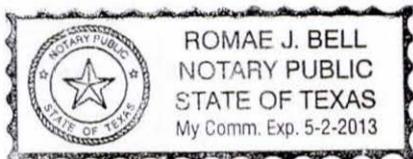
PARTIAL ASSIGNMENT OF OIL AND GAS LEASES
COG Operating LLC to Chevron Midcontinent LP
Glass 2 (East Area) Prospect -State Highway #158, Blk.
T&P Ry. Co. Survey, Glasscock County, Texas

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me this 28th day of September 2011, by **GREGORY K. DAGGETT**, as Attorney-in-Fact for **COG OPERATING LLC**, a Delaware limited liability company, on behalf of said limited liability company.

Romae J. Bell
Notary Public in and for the State of Texas



FILED
AT 10:00 O'CLOCK A. M.
ON THE 6 DAY OF October
A.D., 2011
INS. NO. 8777

Rebecca Batla
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS
BY *Victorina Jones* DEPUTY

STATE OF TEXAS
COUNTY OF GLASSCOCK

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



Rebecca Batla
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS
VOL. 176 PAGE 031
RECORDED October 6, 2011



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

Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Official Public Records of my office, found in VOL 176, PAGE 031.



I hereby certified on 19 October 2011
REBECCA BATLA, COUNTY & DISTRICT CLERK
GLASSCOCK COUNTY, TEXAS
BY *Victorina Jones* DEPUTY

16

File No. MF 112866
Assignment

Date Filed: 12/5/11
Jerry E. Patterson, Commissioner
By: EA

Page _____ of _____
Clerks Office
Glenn County
The original filed in the
This and correct copy



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 5, 2011

Romae Bell
Concho Operating, LLC
550 West Texas Ave., Suite 100
Midland, TX 79701

RE: GLO Assignment ID # 8048

Dear Ms. Bell,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Partial Assignment of Oil and Gas Leases, effective July 19th, 2011
from COG Operating, LLC, as Assignor, to Tekar Tech, LP ETAL
as Assignees. MF112866, Glasscock Co. Vol. 175, P. 561.

Filing fees of \$25.00 were received in connection with the above lease. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

WI

Exhibit "A"

<i>GLO ID</i>	<i>County</i>	<i>Lease</i>
8048	Glasscock	MF112866



November 4, 2011

Ms. Beverly Boyd, Energy Resources Mineral Leasing
Commissioner of the General Land Office
1700 North Congress Avenue
Austin, TX 78701-1495

RE: Glass 2 (East) Prospect
State of Texas HROW Lease # MF 112866
Glasscock County, Texas

Dear Ms. Boyd:

As per No. 11 "Assignments" in reference to the enclosed fully executed and recorded lease, enclosed are two (2) fully executed certified copies of the following instruments:

- (1) Partial Assignment of Oil and Gas Lease by and between COG Operating LLC, as Assignor, and Chevron Midcontinent, L. P., as Assignee, recorded in Book 176, Page 031, Official Public Records of Glasscock County, Texas.
- (2) Partial Assignment of Oil and Gas Lease by and between COG Operating LLC, as Assignor, and Tekar Tech, LP, et al., as Assignees, recorded in Book 175, Page 561, Official Public Records of Glasscock County, Texas.

Also, enclosed is COG Operating LLC's check No. 0000117322 in the amount of \$50.00 for each assignment to be filed in the General Land Office.

Should you have any questions, or need additional information, please advise.

Very truly yours,

COG OPERATING LLC

Romae Bell
Land Coordinator

/rb
Enclosures

COG OPERATING LLC

550 W. Texas Ave Suite 100
MIDLAND TX 79701
(855) 687-8097

Check Number 0000117322

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
102611	10/26/2011		50.00	0.00	50.00

12703056

121
X

019460

← Vendor

Check Date: 10/27/2011

Check Amount →

50.00

PARTIAL ASSIGNMENT OF OIL AND GAS LEASE
COG Operating LLC to Employees
Glass 2 (East Area) Prospect
Glasscock County, TX

IN WITNESS WHEREOF, this Assignment is effective as of the date of the Oil and Gas Lease shown on the attached Exhibit "A".

ASSIGNOR:

COG OPERATING LLC

By: Gregory K. Daggett
Gregory K. Daggett
Attorney-in-Fact

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me this 28th day of September 2011, by **GREGORY K. DAGGETT, Attorney-in-Fact** of **COG Operating LLC**, a Delaware limited liability company, on behalf of said limited liability company.

Romae J. Bell
Notary Public in and for the State of Texas



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

PARTIAL ASSIGNMENT OF OIL AND GAS LEASE
COG Operating LLC to Employees
Class 2 (East Area) Prospect
Glasscock County, Texas

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN PARTIAL ASSIGNMENT OF OIL AND GAS LEASE BETWEEN COG OPERATING LLC, AS ASSIGNOR, AND TEKAR TECH LP, ET AL, AS ASSIGNEES.

OIL AND GAS LEASE:

DATE: July 19, 2011
LESSOR: Commissioner of the General Land Office of the State of Texas (MF 112866)
LESSEE: COG Operating LLC
DESCRIPTION: 21.2 acres in State Highway #158 Right-of-Way out of Sections 40 and 45, Block 32, T-4-S, T&P Ry. Co. Survey, Glasscock County, Texas
RECORDED: Volume 172, page 540 of the Official Public Records of Glasscock County, Texas

FILED
AT 8:00 O'CLOCK A. M.
ON THE 3 DAY OF October
A.D., 2011
INS. NO. 8712

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



Rebecca Batla
County Clerk, Glasscock County, Texas

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

OFFICIAL PUBLIC RECORDS
VOL. 175 PAGE 561
RECORDED October 3, 2011

End of Exhibit "A" Partial Assignment of Oil and Gas Lease



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

Page 3 of 3

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Official Public Records of my office, found in VOL. 175, PAGE 561.



I hereby certified on 3 October 2011

REBECCA BATLA, COUNTY & DISTRICT CLERK
GLASSCOCK COUNTY, TEXAS

BY Hortensia Jones DEPUTY

File No. MF 112866
Assignment

Date Filed: 12/5/11
Jerry E. Patterson, Commissioner
By EA

112866 of _____
Clerk of Court
Essex County
This document has been
filed in the
Essex County
Court



••••• : •••••

The State of Texas



#8229

Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 112866)
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 **COG Operating, LLC**, whose address is **550 West Texas Ave., Suite 100, Midland, TX 79702** hereinafter called "Lessee".

1. Lessor, in consideration of **Six Thousand Three Hundred Sixty and 00/100 (\$ 6,360.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock** State of Texas, and is described as follows:

21.2 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 **21.2** 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 **one year, from July 19th, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

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

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

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 1,200.00 per well**. 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

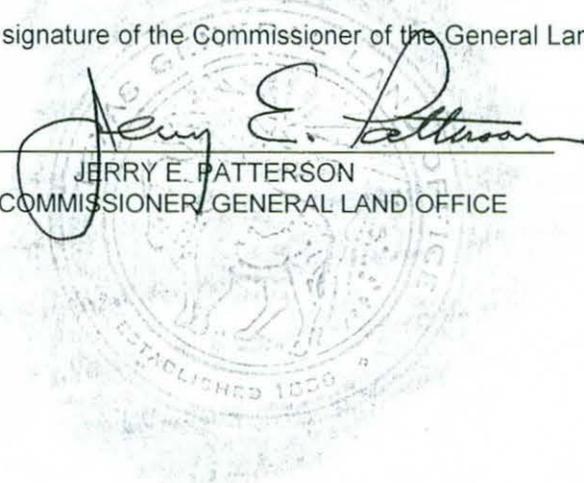
causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** 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: 

LUCHINI & MERTZ
Land Surveying Co.
P.O. BOX 1963
MIDLAND, TEXAS 79702

April 18, 2011

METES AND BOUNDS DESCRIPTION OF
An Approximate 4.9 Acre Tract out of
Section 40, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Beginning at a point on the calculated south line of Section 40, Block 32, T-4-S, T. & P. RR. Co. and in the west right-of-way of Highway 158 for the southwest corner of this tract, from which the calculated southwest corner of said Section 40 bears S 75°26'42" W 1006.49 feet;

Thence N 46°32'09" W, with the west right-of-way fence of Highway 158, 162.99 feet to a point in the west right-of-way fence of Highway 158 at the beginning of a curve to the left;

Thence northwesterly along said curve, having a radius of 5669.58 feet and a central angle of 9°26'00", a distance of 933.46 feet to a point in the west right-of-way fence of Highway 158.

Thence N 55°48'58" W, with the west right-of-way fence of Highway 158, 563.57 feet to a point on the calculated west line of said Section 40 and in the west right-of-way fence of Highway 158 for the most northerly southwest corner of this tract;

Thence N 14°21'20" W, with the calculated west line of said Section 40, 183.19 feet to a point on the calculated west line of said Section 40 and in the east right-of-way fence of Highway 158 for the most northerly corner of this tract;

Thence S 55°42'35" E, with the east right-of-way fence of Highway 158, 702.66 feet to a point in the east right-of-way fence of Highway 158 at the beginning of a curve to the right;

Thence southeasterly along said curve, having a radius of 5789.58 feet and a central angle of 9°26'00", a distance of 953.21 feet to a point in the east right-of-way fence of Highway 158.

Thence S 45°55'12" E, with the east right-of-way fence of Highway 158, 234.23 feet to a point in the east right-of-way fence and on the calculated south line of said Section 40 for the southeast corner of this tract;

Thence S 75°26'42" W, with the calculated south line of said Section 40, 138.48 feet to the point of beginning.

LUCHINI & MERTZ
Land Surveying Co.
P.O. BOX 1963
MIDLAND, TEXAS 79702

April 18, 2011

METES AND BOUNDS DESCRIPTION of
An approximate 16.3 Acre Tract out of
Section 45, Block 32, T-4-S,
T. & P. RR. Co.,
Glasscock County, Texas

Beginning at a point on the calculated north line of Section 45, Block 32, T-4-S, T. & P. RR. Co. and in the west right-of-way fence of Highway 158 for the most northwesterly corner of this tract, from which the calculated northwest corner of said Section 45 bears S 75°26'42" W 1006.49 feet;

Thence N 75°26'42" E, with the calculated north line of said Section 45, 138.48 feet to a point on the calculated north line of said Section 45 and in the east right-of-way fence of Highway 158 for the most northerly northeast corner of this tract;

Thence S 46°37'12" E, with the east right-of-way fence of Highway 158, 2224.88 feet;

Thence S 46°14'50" E, with the east right-of-way fence of Highway 158, 259.68 feet;

Thence S 49°13'42" E, with the east right-of-way fence of Highway 158, 325.02 feet to a point in the east right-of-way fence of Highway 158 at the beginning of a curve to the left;

Thence southeasterly along said curve, having a radius of 2804.79 feet and a central angle of 36°00'00", a distance of 1762.30 feet to a point in the northeast right-of-way of Highway 158;

Thence S 82°25'01" E, with the northeast right-of-way fence of Highway 158, 1318.10 feet to a point on the calculated east line of said Section 45, and in the northeast right-of-way fence of Highway 158 for the most southerly northeast corner of this tract;

Thence S 14°21'20" E, with the calculated east line of said Section 45, 129.54 feet to a point on the calculated east line of said Section 45 and in the southwest right-of-way of Highway 158, for the most southerly corner of this tract;

Thence N 82°24'23" W, with the southwest right-of-way of Highway 158, 1361.84 feet to a point in the southwest right-of-way fence of Highway 158 at the beginning of a curve to the right;

Thence northwesterly along said curve, having a radius of 2924.79 feet and a central angle of 36°00'00", a distance of 1837.70 feet to a point in the west right-of-way fence of Highway 158;

Thence N 47°09'02" W, with the west right-of-way fence of Highway 158, 1369.77 feet to a point in the west right-of-way fence of Highway 158;

Thence N 46°32'21" W, with the west right-of-way fence of Highway 158, 1517.28 feet to the point of beginning.

T&P RR CO
A-81

T&P RR CO
A-794 40

T&P RR CO
A-82

T&P RR CO
A-779 46

MF112866

T&P RR CO
A-84 45

T&P RR CO
A-778

158

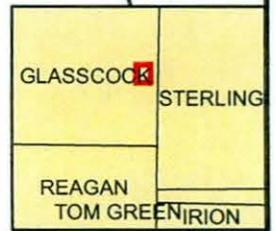
T&P RR CO
A-712 44

T&P RR CO
A-86

T&P RR CO
A-675

4

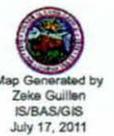
T&P RR CO
A-87



Map Showing a Buffer of
1/2 Mile
1.2 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.



FILED

AT 8:00 O'CLOCK A. M.
ON THE 15 DAY OF August
A.D., 2011
INS. NO. 8229

Rebecca Barla

COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY *Montensia Jones*
DEPUTY

**STATE OF TEXAS
COUNTY OF GLASSCOCK**

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



Rebecca Barla

County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS

VOL. 172 PAGE 540

RECORDED August 15, 2011

... : ...

File No. 112866
Copy of Record
for
 Date Filed: 7.22.13
 Jerry E. Patterson, Commissioner
 By J. Brown

(12)