

HENNING MANAGEMENT, LLC : 31ST JUDICIAL DISTRICT COURT
VS. NO. C-733-18 : PARISH OF JEFFERSON DAVIS
CHEVRON USA, INC., ET AL : STATE OF LOUISIANA

FILED: 11/9/18 _____
Christy Pickle
DEPUTY CLERK OF COURT

PETITION FOR DAMAGES

Plaintiff, HENNING MANAGEMENT, L.L.C., respectfully petitions this Honorable Court for a judgment finding Defendants herein liable for damages caused by Defendants' oil and gas exploration and production and related activities that substantially harmed Plaintiff, Plaintiff's land, and Plaintiff's legal interests. Upon information and belief, Plaintiff makes the following allegations:

1.

Plaintiff, HENNING MANAGEMENT, L.L.C., is a domestic limited liability company, domiciled in Calcasieu Parish, Louisiana, whose address is One Lakeside Plaza, 4th Floor, Lake Charles, Louisiana, 70601.

2.

Plaintiff, HENNING MANAGEMENT, L.L.C., owns and/or use the following described property located in Calcasieu and Jefferson Davis Parishes:

Section 16: The Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 16, Township 11 South, Range 5 West, Calcasieu Parish, Louisiana.

Section 17: The Southeast Quarter of the Southeast Quarter (SE/4 of SE/4), the East Half of the East Half of the Southwest Quarter of the Southeast Quarter (E/2 of E/2 of SW/4 of SE/4), the East Half of the East Half of the Northeast Quarter of the Southeast Quarter (E/2 of E/2 of NE/4 of SE/4), the Northwest Quarter of the Southwest Quarter (NW/4 of SW/4), the East Half of the Southwest Quarter (E/2 of SW/4), the South Half of the Northwest Quarter (S/2 of NW/4), except 2.3 acres described as being the Northeast Corner of the Southwest Quarter of the Northwest Quarter, thence South 330 feet, thence West 310 feet, thence North 330 feet, thence East 310 feet to point of commencement, all within Section 17, Township 11 South, Range 5 West, Calcasieu Parish, Louisiana.

Section 18: The South Half of the Southeast Quarter (S/2 of SE/4), Northwest Quarter of the Southeast Quarter (NW/4 of SE4), all within Section 17, Township 11 South, Range 5 West, Calcasieu Parish, Louisiana.

Section 19: The North Half of the Northeast Quarter (N/2 of NE/4), Northwest Quarter of the Northwest Quarter (NW/4 of NW/4), North Half of the Northeast Quarter of the Northwest Quarter (N/2 of NE/4 of NW/4), all within Section 19, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana.

Section 20: The North Half of the Northwest Quarter (N/2 of NW/4), the Northeast Quarter (NE/4), the North Half of the South Half (N/2 of S/2), all within Section 20, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana.

Section 21: The North Half of the Northwest Quarter of the Southwest Quarter (N/2 of NW/4 of SW/4), the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4), the Northwest Quarter (NW/4), the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4), and a tract of land described as commencing at the Northwest Corner of the Southeast Quarter of the Southwest Quarter, thence East along the North line to the Northeast corner of said 40 acres, thence South along the East line 430 feet, more or less, to a gravel road, thence in a Northwest direction along gravel road to a point on the West line, which point is 50 feet South of point of commencement, thence North to point of commencement, all within Section 21, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana.

Less and Except: one certain tract or parcel of land situated in the Parish of Jefferson Davis, State of Louisiana, and in section 21, Township 11 S., Range five W., South Western land District, to wit:

PARCEL NO. 1-1: from a point on the centerline of Construction and Right of Way State Project No. H.002071/196-03-0030, at Highway Survey Station 104+00.00, proceed North $70^{\circ} 38' 28''$ East a distance of 51.03 feet to the point of beginning, thence proceed South $83^{\circ} 57' 36''$ a distance of 287.08 feet to a point and corner; thence proceed South $82^{\circ} 57' 14''$ East a distance of 155.78 feet to a point in corner; thence proceed South $0^{\circ} 3' 9''$ West a distance of 20.9 feet to a point in corner; thence proceed North $86^{\circ} 59' 59''$ West a distance of 88.18 feet to a point in corner; thence proceed along a curve to the right having a radius of 1308.93 feet, whose length is 358.84 feet and whose chord length is 357.72 feet and bears North $79^{\circ} 25' 28''$ West to the point of beginning. All of which comprises Parcel 1-1 as shown on Sheets 1 and 2 of the Right of Way plans of State Project No. H.002071/196-03-0030, and contains an area of approximately 10,022.1 square feet or 0.230 acres.

Section 24: The East Half of the Northeast Quarter of the Northeast Quarter (E/2 of NE/4 of NE/4) of Section 24, Township 11 South, Range 6 West, Jefferson Davis Parish, Louisiana.

The property described above has been contaminated or otherwise damaged by Defendants' oil and gas exploration and production activities. It is the intent of Plaintiff herein to claim damages for any and all of the property that it owns or may own in Sections 16, 17, 18, 19, 20, 21, all in Township 11 South, Range 5 West, together with Section 24 in Township 11 South, Range 6 West, all in Calcasieu and Jefferson Davis Parishes, State of Louisiana, regardless of whether said property is specifically described in this petition (collectively, the "Property").

3.

Plaintiff appears in one or more of the following capacities: (1) lessor, assignee, or third-party beneficiary of certain mineral and/or surface leases between plaintiff and defendants; and/or (2) successors-in-interest to certain mineral and/or surface leases between plaintiff and defendants; and/or (3) owner of Property contaminated by the oil and gas activities conducted or controlled by one or more of the defendants; and/or (4) successor-in-interest to, or the assign of, the owner of Property contaminated by the oil and gas activities conducted or controlled by one or more of the defendants; and/or (5) servitude owner, who has the right to sue for remediation damages under the Mineral Code; and/or (6) the party who possess the right of action to file this lawsuit under Louisiana law.

4.

Made defendants are the following parties:

- (A) **SHELL OIL COMPANY**, as successor-in-interest by merger, sale, conversion and/or name change to **Shell Petroleum Corporation** and **Shell Oil Company, Incorporated**, a foreign corporation authorized to do and doing business in the State of Louisiana, which may be served through its registered agent for service of process: C T Corporation System, 3867 Plaza Tower Drive, Baton Rouge, Louisiana, 70816;
- (B) **CHEVRON USA, Inc.**, as successor-in-interest by merger, sale, conversion and/or name change to **Gulf Refining Company**, a foreign corporation authorized to do and doing business in the State of Louisiana, which may be served through its registered agent for service of process: The Prentice-Hall Corporation System, Inc., 501 Louisiana Avenue, Baton Rouge, Louisiana, 70802;
- (C) **H. L. HAWKINS & H. L. HAWKINS, JR., INC.**, as successor-in-interest by merger, sale, conversion and/or name change to **H. L. Hawkins**, a foreign corporation authorized to do and doing business in the State of Louisiana, which may be served through its registered agent for service of process: John C. Lovell, Jr., 3000 Board of Trade Plaza, New Orleans, Louisiana, 70130;
- (D) **UNITED WORLD ENERGY CORPORATION**, a domestic Louisiana corporation, authorized to do and doing business in the State of Louisiana, which may be served through its registered agent for service of process: Wayne Landry, 2006 Ambassador Caffery Parkway, Lafayette, Louisiana, 70506;
- (E) **VALERO ENERGY CORPORATION**, as successor-in-interest by merger, sale, conversion and/or name change to **Coastal States Gas Production Company**, a foreign corporation once authorized to do but doing business in the State of Louisiana, which may be served under the Louisiana Long-Arm Statute at One Valero Way, San Antonio, Texas, 78249; and

- (F) **GRAHAM EXPLORATION, LTD**, a domestic partnership, authorized to do and doing business in the State of Louisiana, which may be served through one of its partners, Harry L. Graham, at 700 Petroleum Tower, Shreveport, Louisiana, 71101.

5.

The Property is believed to be contaminated by oil and gas exploration and production activities. Defendants either caused this contamination, or are otherwise legally responsible for this contamination. Defendants' activities include the operation or construction of various oil and gas facilities, including but not limited to, pits, wells, sumps, flowlines, pipelines, tank batteries, wellheads, measuring facilities, separators, and injection facilities.

Specifically, defendants are liable for damage resulting from the operation of the wells in the Hayes Field (the "**Field**") which are identified on or in the attached exhibits, as well as the operation of other equipment and facilities related thereto. The following exhibits are attached to this Petition for Damages and are incorporated herein for all purposes:

- Exhibit A: Contains aerial photo maps which shows the location of plaintiff's Property and the location and serial number of the known wells located thereon, as well as at least some of the pits and other oil and gas exploration and production facilities located thereon or in close proximity thereto; and
- Exhibit B: Contains an Operator History which shows, as to each known well located on the Property: (a) the well serial number; (b) the well name; (c) the past and current operators of record the well; (d) the dates of operation of the well and (e) the current status of the well.
- Exhibit C: Contains a list of known mineral leases and other material agreements or legal instruments which affect the Property and which can be found in the public records.

In summary, the above information identifies the wells at issue in this lawsuit by well serial number, describes the location of these wells, and the relationship of the defendants to the wells and the Property. Defendants and entities or individuals who are not parties to this lawsuit may be in possession of other documentation evidencing leases, assignments, joint operating agreements, unit or pooling agreements, farmout agreements, or other contracts that are not part of the public record.

6.

Defendants conducted, directed, controlled or participated in various oil and gas

exploration and production activities on the plaintiff's Property as operators, and/or working interest owners, and/or mineral or surface lessees, and/or mineral or surface lease assignees, and/or mineral sublessees, and/or servitude, executive interest or other mineral interest owners, and/or personal or predial servitude owners, and/or participants in joint operating agreements or unit operating agreements.

7.

Since at least the 1930's, it has been common knowledge in the oil industry that the disposal of oilfield wastes in unlined earthen pits inevitably results in seepage, which contaminates both surface and subsurface soils and waters. Those defendants who operated in the 1930's or thereafter possessed such knowledge. Plaintiff has suffered damages resulting from the improper disposal of oilfield wastes in unlined earthen pits, which were constructed by the defendants on or near the Property during the course of oil and gas exploration and production activities. The oilfield wastes deposited in these pits include (but are not limited to) such substances as naturally occurring radioactive material ("NORM"), produced water, drilling fluids, chlorides, hydrocarbons, and heavy metals. Also, leaks, spills, and other surface and subsurface discharges of these and other substances from wells, pipelines, tank batteries, gas plants and other equipment or facilities have further polluted the surface and subsurface of plaintiff's Property.

8.

NORM contains, inter alia, Radium226 and Radium228, which are very hazardous and toxic substances. Though these substances are "naturally occurring" at the depths from which oil and gas are produced, they become concentrated when brought to the surface during oil and gas production operations, where their presence can cause serious health related problems. Under Louisiana law, property contaminated with NORM cannot be transferred for unrestricted use.

9.

Produced water is a hazardous brew of various hydrocarbon compounds, metals, salt and radioactive substances. Studies of the chemical constituents of Louisiana produced water have revealed that all produced water discharges contain excess amounts of salt (up to 193 parts per thousand salt or 19.3%), and also contain volatile hydrocarbon compounds (including benzene,

toluene, xylene and ethyl benzene), Polynuclear Aromatic Hydrocarbons ("PAHs or semi-volatiles) (including naphthalene, fluorene and phenanthrene), toxic heavy metals (including chromium, lead, mercury, arsenic, barium and zinc) and radium226 and radium228. All of these substances bioaccumulate and are acutely toxic to aquatic organisms at varying concentrations. Some of these substances (such as benzene and radium226) have long been identified as human carcinogens.

10.

Drilling fluids are also highly toxic and hazardous. These fluids contain metals such as chromium, barium, and arsenic, as well as oil and other hydrocarbon fractions. Drilling fluids also contain toxic additives such as bactericides, slimicides, and acids. Further, drilling fluids have been demonstrated to be acutely toxic to aquatic organisms. In fact, a 1982 American Petroleum Institute Study documented the uptake of toxic heavy metals by plants near drilling mud pits.

11.

Other toxic and hazardous substances used by defendants in their day to day exploration and production activities include mercury, lead based compounds, chromium based algicides, hydrochloric acid, caustic soda, and various corrosion inhibitors.

12.

Defendants knew or should have known that their day to day operations in the Field would cause the soil, surface waters and groundwater of plaintiff's Property to be contaminated with the substances described in paragraphs 7 through 11 above. Rather than remove these substances during and after oil and gas exploration and production activities, defendants chose to conceal and cover up their contamination. This concealment and cover up was routine practice and has continued to date. The defendants' failure to responsibly and timely remove or remediate this toxic pollution in the soils and groundwater of plaintiff's Property has allowed the pollution to migrate and spread. Defendants' pollution has now permanently damaged the drinking water and other aquifers underlying the Field.

13.

Defendants knew for many years that they were disposing, storing, discharging, and

otherwise releasing toxic poisons and pollutants onto and into the ground, groundwaters, and surface waters on or near plaintiff's Property. Yet, defendants failed to inform or warn plaintiff concerning the extent, nature, cause and origin of this pollution. Defendants at no time warned or informed the plaintiff that their disposal and discharge activities were hazardous to persons and property. Defendants knew and failed to disclose to plaintiff that their wastes would not degrade or break down in the environment in the foreseeable future and that their presence in the subsurface would constitute an ongoing and continuing source of pollution and environmental damage for generations.

14.

Plaintiff did not have actual or constructive knowledge of the pollution described in this petition until less than a year prior to the filing of this suit. Plaintiff did not have knowledge of the defendants' fault, negligence or violation or breach of any leases, contracts, use agreements, or any other agreements or contracts referenced in this petition until less than a year prior to the filing of this suit. Plaintiff did not have knowledge of the causal connection between the defendants' fault, negligence and breach of contract and the pollution at issue until less than a year prior to the filing of this suit. Alternatively, defendants have engaged in acts that effectually have prevented plaintiff from availing themselves of the causes of action alleged herein. These acts include fraud, ill practices, and misrepresentation intentionally committed by defendants (or their representatives) designed to hinder, impede or prevent plaintiff from asserting its causes of action or to lull plaintiff into a false sense of security. Such acts of fraud, ill practices, and misrepresentation specifically include: (1) burying, hiding or actively concealing pollution; (2) failing to inform plaintiff that unlined earthen pits on their Property seeped and leaked; (3) failing to inform plaintiff that the use of unlined pits that seep and leak violate state regulation; (4) failing to inform plaintiff that the failure to remove or remediate contamination caused by unlined earthen pits violates state regulation (5) failing to inform plaintiff that pollution that migrates out of the confines of an unlined earthen pit will continue to migrate, spread and cause further damage to their Property; (6) failing to inform plaintiff of the hazardous and toxic nature of the oilfield pollution on their Property; and, (7) failing to inform the plaintiff that the oilfield practices

followed by defendants would result in pollution and property damage. Due to defendants' concealment of the hazardous and toxic contamination that they deposited on plaintiffs' lands and the role they played in causing this contamination, plaintiff was denied access to the knowledge and facts needed to bring the claims alleged in this petition.

15.

Defendants' conduct constitutes negligence, which gives rise to liability under the provisions of La. Civ. Code art. 2315. Defendants knew or should have known that their conduct would cause property and other damages to plaintiff. Defendants had a duty to protect plaintiff and plaintiff's Property from the effects of the contamination and pollution described herein. Their violation of this duty proximately caused the damages described below. Further, as the defendants acquired knowledge that unlined pits would leak, and that the contamination left on plaintiff's lands would continue to spread and migrate, defendants had the obligation to return to plaintiff's lands to remediate the source or sources of the contamination, to stop the spread of the contamination, and to warn the plaintiff that their land was contaminated. Defendants violated their own company policies and industry practice and custom, did not comply with the standards of conduct required in the leases and other contracts applicable to the Property, and failed to comply with applicable state regulation. Defendants also concealed from the regulators the fact that they had polluted plaintiff's property. Defendants are guilty of tortious conduct under private law by virtue of their violations of statewide and fieldwide orders and regulations.

16.

Defendants that acquired other corporations or other legal entities by merger, acquisition, or otherwise, or who otherwise assumed obligations under applicable leases or contracts, had a duty to remedy the past wrongs of those parties for whose fault or obligations they are legally responsible. To the extent that any defendant acquired the business or assets of a predecessor without a formal merger, said defendant is liable under the continuation doctrine of Louisiana law. In addition to their express or implied assumption of contractual obligations owed to plaintiff, defendants are liable to plaintiff under the provisions of Section 324A of the Restatement 2d, as interpreted by Louisiana jurisprudence. Under Section 324A, one or more of the defendants

assumed duties owed by others to the plaintiff to protect plaintiff and its Property from contamination and harm.

17.

Defendants are also guilty of a continuing tort and a continuing trespass. Defendants' acts or omissions, and their continuing unlawful conduct, have caused successive damages or an ongoing and cumulatively increasing deterioration of plaintiff's Property. The pollution caused by the defendants continues to migrate. The cause of the increasing damages to plaintiff's land is the continuing failure of defendants to remove their pollution from the Property. The cause of the damages suffered by plaintiff is thus a continuous cause giving rise to successive damages. In addition, defendants' conduct of their oil and gas exploration and production activities and the associated discharge, disposal or storage of oilfield waste on plaintiff's Property have created a continuing, ongoing and damaging nuisance to plaintiff and plaintiff's Property. Further, the continued presence of oilfield wastes on the Property constitutes a continuing trespass. The continuous and ongoing migration of waste is causing new and ever-increasing damage to plaintiff's Property, and such damage will continue until such time as these wastes are removed and remediated.

18.

Defendants are liable for the tortious breach of any leases or other contracts sued upon in this petition. These leases or other contracts may include mineral and surface leases, servitude agreements, assignments, mineral and surface subleases, right of way agreements, joint operating agreements, unit agreements, working interest agreements, use agreements, farmout agreements, and unit or pooling agreements.

19.

Defendants are also liable to plaintiff under La. Civ. Code art. 667 of the Civil Code for the damages caused by their storage, discharge, and disposal of toxic and hazardous and toxic oil field waste on or adjacent to plaintiff's Property. La. Civ. Code art. 667 was amended by Act 1 of 1996, effective April 16, 1996. To the extent that defendants are deemed "proprietors" within the meaning of La. Civ. Code art. 667, said defendants are strictly liable to plaintiff under La. Civ.

Code art. 667 for damages sustained by the plaintiff before April 16, 1996. Plaintiff's claims under Article 667 for damages occurring on or after April 16, 1996, are governed by the amended version of Civil Code article 667. To the extent the defendants held any rights in any mineral leases or servitudes on the property, plaintiff and defendants are co-proprietors of the property that owe obligations to each other under Article 667 of the Civil Code. Furthermore, defendants are strictly liable to plaintiff under the provisions of La. Civ. Code articles 2317 and 2322. At all times pertinent hereto, defendants had *garde* of the facilities and equipment that caused the pollution described herein. Those defendants who participated in the above described oil and gas operations by the acquisition of working interests had sufficient control to constitute *garde* under the provisions of La. Civ. Code art. 2317. On information and belief, the Joint Operating Agreements or unit agreements that governed the conduct of the oil and gas activities of the defendants show that the working interest owners or other participants in such agreements: (1) had the right to control operations conducted pursuant to the agreements; and, (2) held proportional ownership interests in the facilities and equipment which caused the pollution complained of herein. Such ownership gives rise to a presumption of *garde*. The acquisition of any leasehold or other ownership interest gives rise to a presumption of *garde*.

20.

In addition, under Louisiana law, defendants are allowed under the applicable mineral leases to use only so much of plaintiff's Property as is reasonably necessary to conduct oil and gas operations allowed by such leases. Defendants are guilty of a trespass to plaintiff's Property because they exceeded the rights to use the plaintiff's Property as contemplated in the applicable mineral leases. Further, with regard to the contractual liability of the defendants, the express remediation obligations of any leases at issue, and the covenants and other provisions implied in any leases at issue by operation of law or the application of the mineral code, impose continuing remediation obligations on the lessees. Such lease obligations were violated.

21.

Defendants' conduct as described above constitutes a breach of the oil, gas, and mineral leases, surface leases, servitude agreements and other applicable contracts that covered the oil and

gas activities described above.

22.

Plaintiff herein brings suit under the mineral and surface leases, use agreements, conventional servitudes, and any innominate agreements that apply to the Property. To the extent that the law does not accord plaintiff the right to sue as lessors (or as the assignees or successors of the lessors) under the applicable mineral leases or surface leases, plaintiff assert claims as third party beneficiary for damages for breach of said mineral leases or surface leases. To the extent defendants' remediation obligations are not expressly set forth in any contract or lease, defendants have a contractual obligation under the applicable oil, gas, and mineral leases, and under the applicable surface or predial leases, and under La. Civ. Code arts. 2683, 2686, and 2692, to restore plaintiff's Property to its original condition, less normal wear and tear. Defendants have failed to satisfy their express contractual obligations, and those implied obligations imposed by operation of law. Plaintiff's Property has been impacted by each defendant's use of the Property under the applicable mineral and surface or predial leases, and such Property has not been restored to its original condition, less normal wear and tear. For the breach of these oil, gas, mineral leases, and surface or predial leases, the defendants are liable to plaintiff for foreseeable and consequential damages occasioned by their failure to perform, as well as the cost of these proceedings and reasonable attorneys' fees to the extent such fees are allowed by contract or applicable law, such as La. R.S. 30:29. Further, plaintiff claims damages for the violation of any personal servitude of use applicable to the Property in accordance with the provisions of La. C.C. arts. 576, 577, and 645.

23.

Further, plaintiff alleges that it is third party beneficiary of the assignments, subleases or other oilfield conveyance instruments, or other contracts or agreements by which one or more of the defendants acquired an interest in the oilfield equipment, wells, facilities, or property at issue. Further, plaintiff is third party beneficiary of the joint operating and unit agreements and other operating agreements pertaining to the Property. As third party beneficiary of the aforesaid contracts and agreements, plaintiff is entitled to sue defendants for damages in its capacity as third

party beneficiary.

24.

Defendants who are assignees or sublessees of the mineral leases at issue are liable to plaintiff under the provisions of article 128 and 129 of the Mineral Code.

25.

If any of the mineral leases subject to this suit have not expired, the remediation of contamination on the Property subject to said existing leases would not interfere with, or have any effect on, any ongoing mineral operations. Defendants have failed to maintain and restore leased properties that are the subject of leases that are still in effect. This failure constitutes an active breach of said mineral leases or surface. Further, upon information and belief, there are no leases at issue in this lawsuit that permit the lessee to postpone remediation of contaminated Property until the end of the lease. Under the provisions of La. Civ. Code arts. 2683, 2686, and 2692, and applicable jurisprudence, defendants are obligated to remediate and restore the Property even though a mineral or surface lease may still be in effect.

26.

Each defendant has also breached those standards imposed by the Louisiana Civil Code and the Louisiana Mineral Code governing the conduct of prudent operators. The lease provisions of the Louisiana Civil Code and the Louisiana Mineral Code require Defendants to use plaintiff's Property as a prudent administrator and to restore plaintiff's Property to its original condition. Any implied obligations or covenants imposed on any lessee by the Civil Code or Mineral Code are binding on said lessee unless expressly renounced by the lease itself. Defendants have failed to act as prudent administrators, have failed to restore plaintiff's Property to its original condition, and have failed to discharge their obligations under the Civil Code and the Mineral Code. As a result, plaintiff has suffered damages and is entitled to all remedies allowed under the Civil Code and Mineral Code.

27.

Plaintiff specifically alleges that defendants have violated the express and implied obligations of surfaces leases that apply to the Property, including those maintenance, restoration

and repair obligations imposed by operation of law on all lessees by the Civil Code articles pertaining to leases. Defendants' violation of these surface leases have caused damage to plaintiff. Under said surface leases, defendants have the obligation to maintain and restore the Property.

28.

Defendants negligently and excessively used the Property during mineral operations. This negligent and excessive use violates the implied obligations of lessees under the provisions of the Civil Code and the Louisiana Mineral Code, including without limitation, La. R.S. 31:122. Defendants who operate negligently and excessively under a mineral lease are obligated to restore the Property to its original pre-lease condition, less normal wear and tear.

29.

Defendants' actions in knowingly disposing of toxic and hazardous materials onto plaintiff's Property, in failing to clean up said pollution and stop its further migration, in storing their pollution on plaintiff's properties, in allowing the migration of their pollution to offsite properties, in failing to properly maintain their facilities where these toxic and hazardous materials were transported, handled, stored and disposed of, and in egregiously violating applicable environmental health and safety regulations and applicable field-wide orders, constitute wanton or reckless disregard for public safety in the storage, handling or transportation of hazardous or toxic substances. Defendants are therefore liable to plaintiff for punitive and exemplary damages. At all times pertinent hereto, defendants had actual possession or control of the toxic and hazardous substances described above. With regard to plaintiff's tort claims that arise under the provisions of former Civil Code article 2315.3, plaintiff's claims for punitive damages are limited to acts or omissions of the defendants (or their predecessors or successors) that occurred during the period of applicability of article 2315.3.

In addition to the foregoing, plaintiff alleges that Statewide order 29-B was applicable during the period of applicability of former Civil Code article 2315.3. 43 LA ADC Pt XIX, § 101, et seq. This regulation requires the proper closure of pits. Statewide order 29-B has been held to be retroactive to activities occurring before its adoption. See *Cockerham v. Atlantic Richfield Co.*, 615 So. 2d 547, 549 (La. App. 3 Cir. 1993). The violation of a regulatory duty can give rise to tort

liability. A failure to comply with applicable regulation is evidence of unreasonable care. See Galligan and Maraist, Louisiana Tort Law (Lexis 2004), § 6.07. The defendants' violation of their regulatory obligations under Statewide Order 29-B and other applicable regulations, and their failure to return to the field to clean up their contamination, support a cause of action in tort for punitive damages.

30.

Defendants' storage and disposal of the aforementioned toxic and hazardous substances constitutes an ultra hazardous activity for which defendants are strictly liable. This strict liability is based on acts and omissions occurring before the amendment to La. Civ. Code art. 667 in 1996. The amended version of La. Civ. Code art. 667 is applicable to the acts and omissions of defendants occurring on or after the effective date of the 1996 amendment.

31.

Further, for an undetermined length of time, the defendants have stored toxic pollution and waste in the groundwaters and soils underlying the plaintiff's lands. Defendants have derived substantial economic benefits from this storage in that their use of the subsurface of the plaintiff's lands has allowed them to avoid the substantial costs and expenses associated with the proper disposal of this toxic pollution and waste. Thus, plaintiff is entitled to the civil fruits derived from defendants' trespass, for La. Civ. Code art. 486 provides that a possessor in bad faith is liable for the "fruits he has gathered or their value subject to his claim for reimbursement of expenses." Alternatively, even if storage costs are not technically deemed "civil fruits," plaintiff is entitled to the economic value of said storage, or the value of the rental of said storage.

32.

To the extent that defendants own mineral servitudes on the Property, plaintiff asserts claims for remediation under the provisions of Article 22 of the Mineral Code (La. R.S. 30:22). Upon information and belief, such servitudes have been exercised. Defendants excessively used plaintiff's Property subject to said servitudes. It was not "reasonably necessary" for defendants to use pits in the conduct of their operations. And it was not "reasonably necessary" for defendants to use those parts of the surface or subsurface of plaintiff's Property located outside of the confines

of the pits to store their wastes. Under Article 22, plaintiff is entitled to restoration of its Property to original condition to the extent reasonably practicable at the earliest reasonable time. Plaintiff is entitled to this restoration remedy regardless of the fault or negligence of the servitude owner.

33.

Alternatively, plaintiff is “aggrieved parties” within the meaning of article 134 of the mineral code. Plaintiff has the right to assert the causes of action alleged herein by virtue of its status as “aggrieved parties.”

34.

As a direct result of the above described acts and omissions of the defendants, plaintiff has suffered damages to its Property occasioned by the nuisance created by defendants. Plaintiff has also sustained damages occasioned by the diminution in the value of its Property, including stigma damages. Further, in the alternative, and only if plaintiff has no other adequate remedy at law, defendants are liable for unjust enrichment damages, as the defendants have been unjustly enriched by their unauthorized use of plaintiff’s lands to store and dispose of toxic and hazardous contamination.

35.

Due to the activities of defendants in polluting the soils, groundwater and surface waters of the Property, and the continuing trespass of defendants resulting from the continued presence of contaminants in said soils, groundwater, and surface water, plaintiff is entitled to a prohibitory and mandatory permanent injunction: (a) requiring that defendants remove the contamination they have caused to be deposited in the groundwater and soils underlying plaintiff’s lands, and (b) ordering the defendants to remove any contamination they have caused to be deposited in the groundwater and soils underlying the plaintiff’s lands.

36.

Plaintiff is entitled to recover money damages equal to the cost to conduct a comprehensive and expedited environmental assessment of all present and yet unidentified pollution and contamination of its Property.

37.

In summary, plaintiff has stated causes of action in tort and separate causes of action for breach of contract, and for breach of obligations imposed by the Mineral Code and Civil Code, and for breach of implied obligations under the Mineral Code and Civil Code, and for the violation of the provisions of the Civil Code and Mineral Code, and are entitled to the following damages:

- (A) Sufficient funds to conduct a complete scientific analysis of the extent and nature of the contamination on their Property associated with defendants' operation of waste pits, tank batteries, production and/or injection wells, pipelines, and other oil and gas related facilities and equipment;
- (B) The cost to restore the Property to its pre-polluted original condition;
- (C) Punitive or exemplary damages;
- (D) An award of damages for defendants' unauthorized use of plaintiff's land to store and dispose of their wastes without consent, or compensation to plaintiff from time of placement to time of final removal;
- (E) An award of stigma damages for diminution in property value before, during and after restoration;
- (F) Any civil fruits derived from defendants' illegal trespass;
- (G) Damages occasioned by the nuisance created by defendants, including loss of full use and enjoyment of plaintiff's Property;
- (H) Damages for loss of use of land and lost profits and income;
- (I) Attorneys' fees and other costs and expenses under La. R.S. 30:29, or under any contract or applicable law that specifically provides for attorney fees, costs, and expenses; and,
- (J) Damages sustained as a result of defendants' failure to provide proper notification under article 2688.

38.

Defendants have not attempted to recover, handle, treat or dispose of any of the contamination at issue. It is expected that defendants will contend that natural attenuation is an acceptable method of remediating the contamination. The use of natural attenuation as a remediation method involves the storage of contamination at issue in the soils and groundwaters underlying the Property for a period of time sufficient to allow natural processes to eliminate such contamination. Plaintiff specifically alleges that the Property cannot be feasibly remediated by means of natural attenuation. Thus, to the extent that natural attenuation is used, or will be used,

as a remediation method to remediate the Property, plaintiff is entitled to reasonable compensation for the storage of waste on its Property, including rental or economic value of said storage.

39.

Plaintiff affirmatively alleges that damages awarded by the court for remediation will be used to clean up the above described contamination. Specifically reserving any rights plaintiff may have to claim that Act 312 of 2006 is unconstitutional as applied, plaintiff shows that under La. R.S. 30:29 (enacted by Act 312 of 2006), the judgment funds awarded to plaintiff for remediation of contamination that is covered by the provisions of La. R.S. 30:29 must be used, to the extent necessary, for the purpose of funding the most feasible plan adopted by the Court under the provisions of La. R.S. 30:29(C). Further, there is a valid reason to believe that any restoration award made by the court or the jury will be used to clean up the Property. Plaintiff is entitled to sufficient damages to restore its Property as near as possible to its original condition. Plaintiff has personal reasons for wishing to commit all sums awarded for remediation to clean up the affected Property. However, even after the most feasible remediation possible is carried out, plaintiff's Property will nonetheless remain stigmatized. Further, to the extent plaintiff's land is in close proximity to defendants' pollution, this land has been stigmatized by the acts of the defendants.

40.

Plaintiff makes no claim under the Environmental Quality Act, La. Rev. Stat. 30:2001 et seq, which is inapplicable to the claims asserted herein. Plaintiff asserts only those private causes of action accorded to them under the Louisiana Constitution and laws of the State of Louisiana. Plaintiff has not pled, and will never at any time in the future plead, any claim or cause of action arising under federal law, and assert no such claims herein. To the extent any state law claims are preempted by federal law (either expressly or impliedly), such claims are not alleged herein. Plaintiff herein expressly does not pursue any defendants or claims that have been discharged in bankruptcy, and if a party or parties has or intends to file for bankruptcy concerning any of the claims alleged herein, it is the express intention of plaintiff not to pursue those claims or party or parties in this action, even if such party or parties have been inadvertently named as a defendant above.

To the extent that the provisions of La. R.S. 30:29 apply to this action, notice will be furnished to the Attorney General and to Louisiana Department of Natural Resources pursuant thereto. The threshold requirement for the application of La. R.S. 30:29 is contained in Subsection A of the statute: “[T]his Section provides the procedure for judicial resolution of claims for environmental damage to property arising from activities subject to the jurisdiction of the Department of Natural Resources, office of conservation.” The definition of “oilfield site” and “exploration and production (E& P) site” contained in La. R.S. 39:29(I)(4) must be interpreted in the context of Subsection A. Thus, for La. R.S. 30:29 to apply to contaminated property, the contaminated property must fall under the definition of “oilfield site” or “exploration and production (E & P) site” (Subsection I) *and* must be damaged from “activities subject to the jurisdiction of the Department of Natural Resources, office of conservation.” (Subsection A).

“Oilfield site” and “exploration and production (E & P) site” are defined in Subsection I(4) of La. R.S. 30:29(Act 312) as follows:

(4) “Oilfield site” or “exploration and production (E&P) site” means any location or any portion thereof on which oil or gas exploration, development, or production activities have occurred, including wells, equipment, tanks, flow lines or impoundments used for the purposes of the drilling, workover, production, primary separation, disposal, transportation or storage of E&P wastes, crude oil and natural gas processing, transportation or storage of a common production stream of crude oil, natural gas, coal seam natural gas, or geothermal energy **prior to a custody transfer or a sales point**. In general, this definition would apply to all exploration and production operations located on the same lease, unit or field.

Thus, Subsection A of La. R.S. 30:29 limits the application of the Act to “activities” regulated by LDNR. The definition of “Oilfield site” or “exploration and production (E&P) site” further limits the application of La. R.S. 30:29 because “activities subject to” the La. R.S. 30:29 (“drilling, workover, production, primary separation, disposal, transportation or storage of E&P wastes, crude oil and natural gas processing, transportation or storage of a common production stream of crude oil, natural gas, coal seam natural gas, or geothermal energy”) must occur “prior to a custody transfer or a sales point.”

Plaintiff claims damages for the evaluation, cleanup, and remediation of any contamination

or pollution that impacts or threatens to impact groundwater, regardless of classification or depth of such groundwater, and regardless of whether said groundwater is usable or unusable. Plaintiff claims that it is entitled to restoration of any aquifers damaged by the pollution alleged herein.

43.

Plaintiff asserts that it has the right of action under La. R.S. 30:29 (to the extent that such statute applies) and/or the Civil Code, and/or other applicable Louisiana statutory and jurisprudential law to seek cleanup of all of the environmental damage associated with its Property, regardless of whether or not the source of said environmental damage is located on its Property, and regardless of whether it owned its Property at the time the damages occurred. Further, La. R.S. 30:29 contemplates that the feasible plan for remediation encompass all of the various plumes of contamination on their Property, regardless of whether such plumes have migrated off of their Property. To the extent that La. R.S. 30:29 applies to this action, and to the extent that the execution of the "feasible plan" under La. R.S. 30:29 requires that remediation activities be performed on properties not owned or controlled by the plaintiff, the court has jurisdiction in this case to order that defendants perform these remediation activities, as plaintiff has a right of action under La. R.S. 30:29 to seek the implementation of the most feasible plan to protect the health, safety and welfare of the people. In addition, regardless of whether La. R.S. 30:29 applies, Louisiana private law accords to a plaintiff landowner the right to seek remediation damages for the remediation of the property of a neighbor if the plaintiff landowner's property cannot effectively be remediated without remediating his neighbor's property. Plaintiff's Property cannot be effectively remediated unless the source of the contamination is removed, and plaintiff is entitled to removal of the source of contamination even if such source happens to be located on the property of another.

44.

Defendants are liable to plaintiff under the provisions of article 11 of the Louisiana Mineral Code (La. R.S. 31:11). Under article 11, plaintiff, as surface owners and defendants as owners of a mineral right (mineral lease or servitude), must exercise their respective rights with reasonable regard for those of the other. Defendants' failure to maintain and remediate the Property

constitutes a violation of the provisions of article 11. Defendants are strictly liable to plaintiff under the provisions of article 11.

45.

Defendants' breaches of the leases applicable to the plaintiff's Property were substantial in nature. Under article 2686 of the Civil Code, plaintiff may elect to seek injunctive relief, dissolution, and damages.

46.

All defendants are joint tortfeasors and are liable to plaintiff in solido.

47.

Plaintiff shows that article 2688 of the Civil Code was enacted by Acts 2004, No. 821, §1, effective January 1, 2005. This codal article obligates a lessee to notify his lessor without delay when the property leased has been damaged or requires repair. When article 2688 became effective, the lessee defendants had an obligation to notify plaintiff of the contamination on its Property. No such notification was provided. Therefore, under the provisions of article 2688, plaintiff is entitled to the damages it sustained as a result of defendants' failure to provide proper notification. Article 2688 is applicable to the mineral leases at issue by virtue of article 2 of the Louisiana Mineral Code (La. R.S. 31:2). The failure of defendants to provide the notification required by article 2688 constitutes an active and substantial breach of the applicable mineral and surface leases. In addition, the failure to provide the notice required by article 2688 constitutes a tortious breach of the applicable leases.

48.

Plaintiff hereby specifically allege and rights or cause of action assigned to them after the filing of this petition that arise out of the transactions or occurrences that are the subject of this petition. Also, as the property damage alleged in this petition will continue to increase after the filing of this petition, plaintiff specifically claims any damages that accrue after the filing of this petition. Further, plaintiff specifically reserves the right to bring those causes of action that are assigned to it or that accrue after any judgment in this case, including, but not limited to, an judgment dismissing any defendant against whom plaintiff has a right to assert such causes of

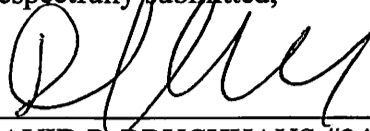
action assigned or accruing after judgment, and any judgment awarding damages for any of the claims alleged in this petition.

WHEREFORE, plaintiff prays that the defendants be cited to appear and answer this petition and that after due proceedings be had, that there be judgment entered herein as follows:

- (A) Awarding plaintiff all compensatory damages allowed by Louisiana law in an amount to be proven at trial, including payment of the costs to restore lands with identified pollution to its original unpolluted state, civil fruits resulting from defendants' illegal and bad faith trespass on plaintiff's lands, storage damages, and other property damages, and damages for loss of use and lost profits and lost income;
- (B) Awarding plaintiff punitive and exemplary damages;
- (C) Ordering defendants to pay plaintiff sufficient funds so that plaintiff may conduct a comprehensive and expedited environmental assessment of plaintiff's land to identify all hidden or not yet identified pollution;
- (D) Awarding plaintiff all costs of this suit and for legal interest therein for any amount awarded from the date of judicial demand until paid; and further awarding plaintiff judicial interest on all contract claims from the date of breach;
- (E) Awarding plaintiff stigma damages for diminution in property value before and after restoration;
- (F) Ordering a mandatory and prohibitory injunction to restore plaintiff's Property to its pre-contaminated condition and to prevent the migration and spread of toxic and hazardous substances onto plaintiff's Property;
- (G) To the extent that La. R.S. 30:29 applies, approving a feasible remediation plan under La. R.S. 30:29 that complies with all applicable state regulations, without variances therefrom, including Statewide order 29-B and state regulations requiring remediation of usable groundwater to drinking water standards;
- (H) To the extent that La. R.S. 30:29 applies, approving a feasible remediation plan under La. R.S. 30:29 that protects the health, safety, and welfare of the people of Louisiana;
- (I) To the extent that La. R.S. 30:29 applies, approving a feasible remediation plan under La. R.S. 30:29 that protects and replenishes the natural resources of the state;
- (J) Awarding all damages allowed under Subsection H of La. R.S. 30:29;
- (K) For all just and equitable relief, and for all relief appropriate and reasonable under the premises; and
- (L) Alternatively, for all appropriate unjust enrichment damages as provided by Louisiana law.

Respectfully submitted,

By:



DAVID P. BRUCHHAUS #24326
CHAD E. MUDD #25188
M. KEITH PRUDHOMME #14336
MATTHEW P. KEATING #30911
MUDD BRUCHHAUS & KEATING, L.L.C.
410 E. College St.
Lake Charles, LA 70605
Telephone: (337) 562-2327
Facsimile: (337) 562-2391

**Attorneys for Plaintiff, Henning Management,
L.L.C.**

SERVICE INSTRUCTIONS:

Please serve Defendants as outlined in Paragraph 4 of Plaintiff's Petition



Christy Packee
Nov 9 18

tabblist
EXHIBIT
A

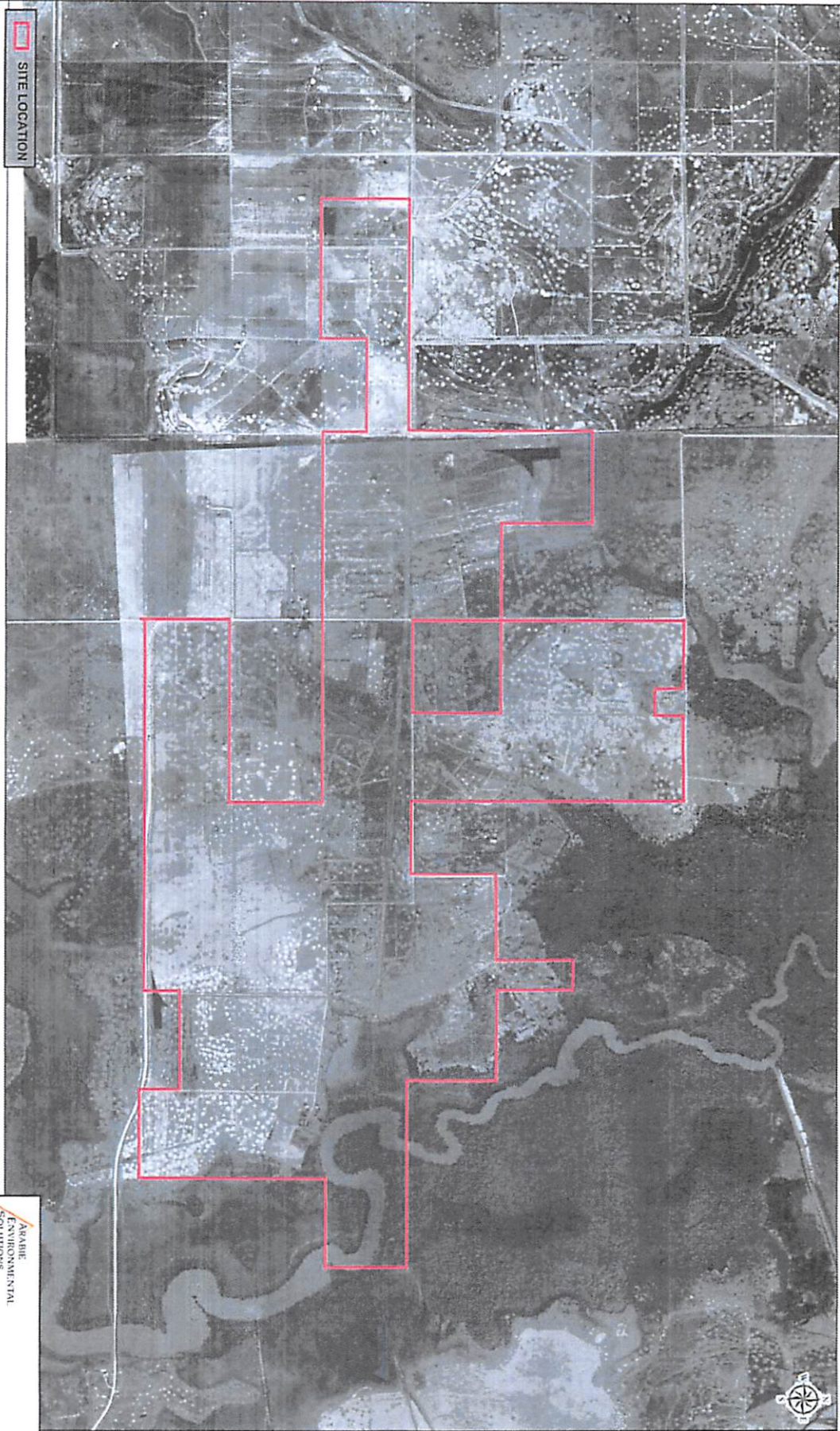
0 0.05 0.1 Absolute Scale: 1:6,204
mi Relative Scale: 1 inch = 517 feet

Henning II Wells (2013)

Disclaimer: This data is not to be used for legal purposes.

Date: 11/5/2018






 SITE LOCATION

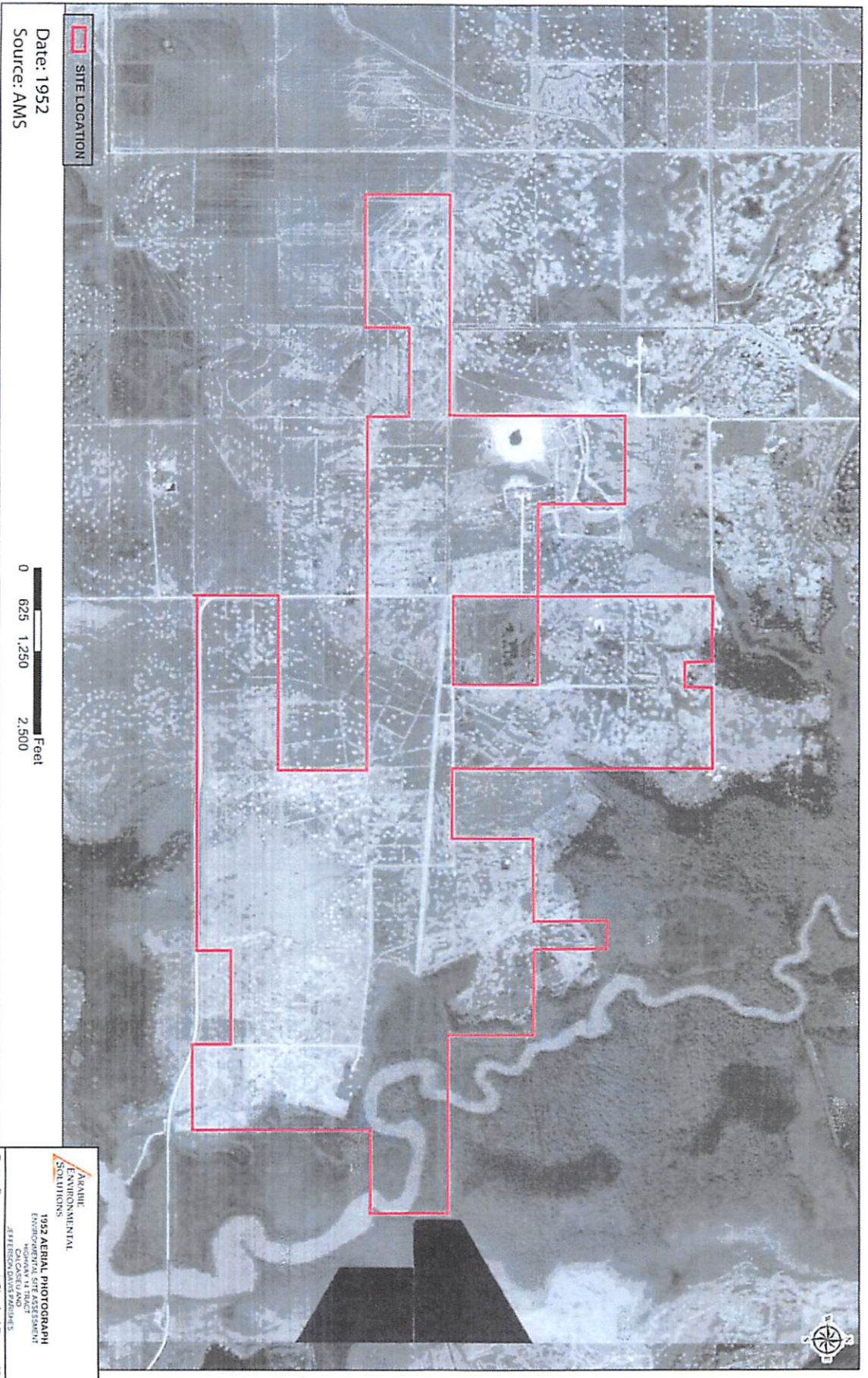
Date: 1940
Source: ASCS

0 625 1,250 2,500 Feet

**ARAD ENVIRONMENTAL SOLUTIONS**
1940 AERIAL PHOTOGRAPH
ENVIRONMENTAL SITE ASSESSMENT
HIGHWAY 14 TRACT
EFFERSON, MISSOURI 65034

Drawn By: LOB Checked By: CJD
Date: 1/16/13 Project No.: 11034



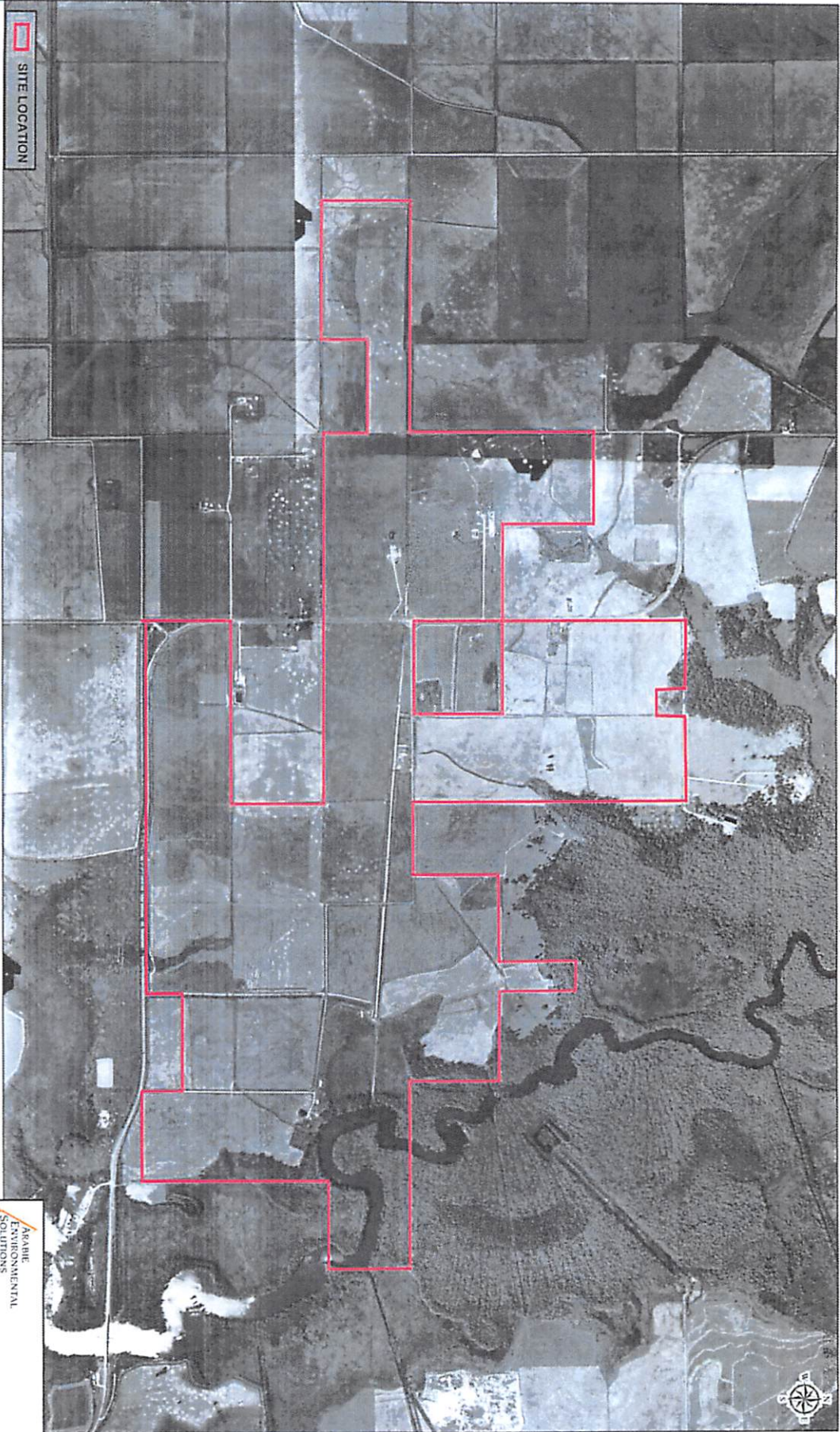


 SITE LOCATION

Date: 1952
Source: AMS



ARCADIS ENVIRONMENTAL SOLUTIONS
1952 AERIAL PHOTOGRAPH
PROJECT: HIGHWAY 11 TRACT
SITE: CANTONLAND
DRAWN BY: LGB
DATE: 11/06/17
CHECKED BY: CBJ
PROJECT NO.: 1834



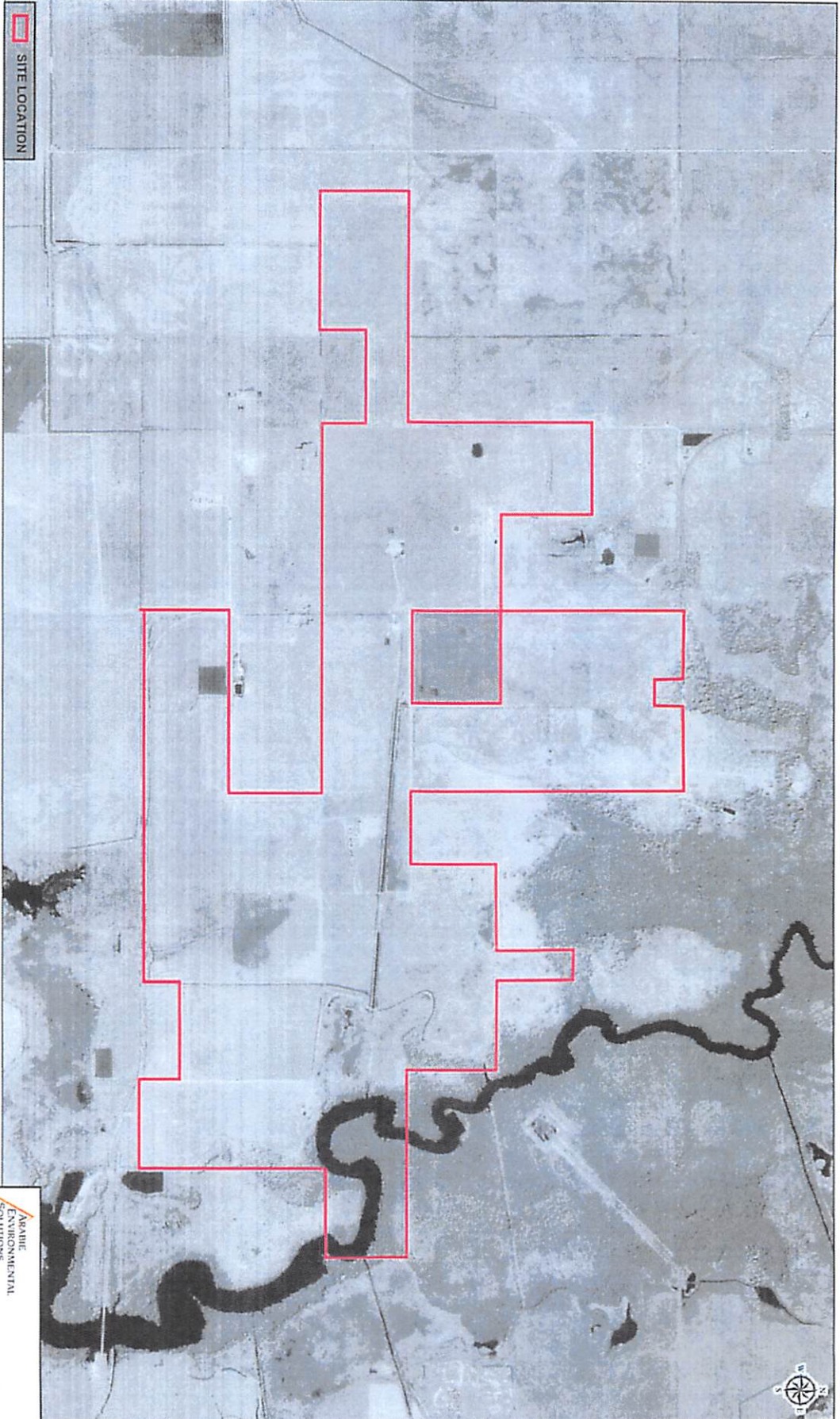
 SITE LOCATION


Date: 1968
Source: ASCS



ARABIE ENVIRONMENTAL SOLUTIONS
1968 AERIAL PHOTOGRAPH
ENVIRONMENTAL SITE ASSESSMENT
MADISON TWP
JEFFERSON COUNTY, MISSOURI

Drawn By: LDB Checked By: CJJ
Date: 1/28/97 Project No: 1031

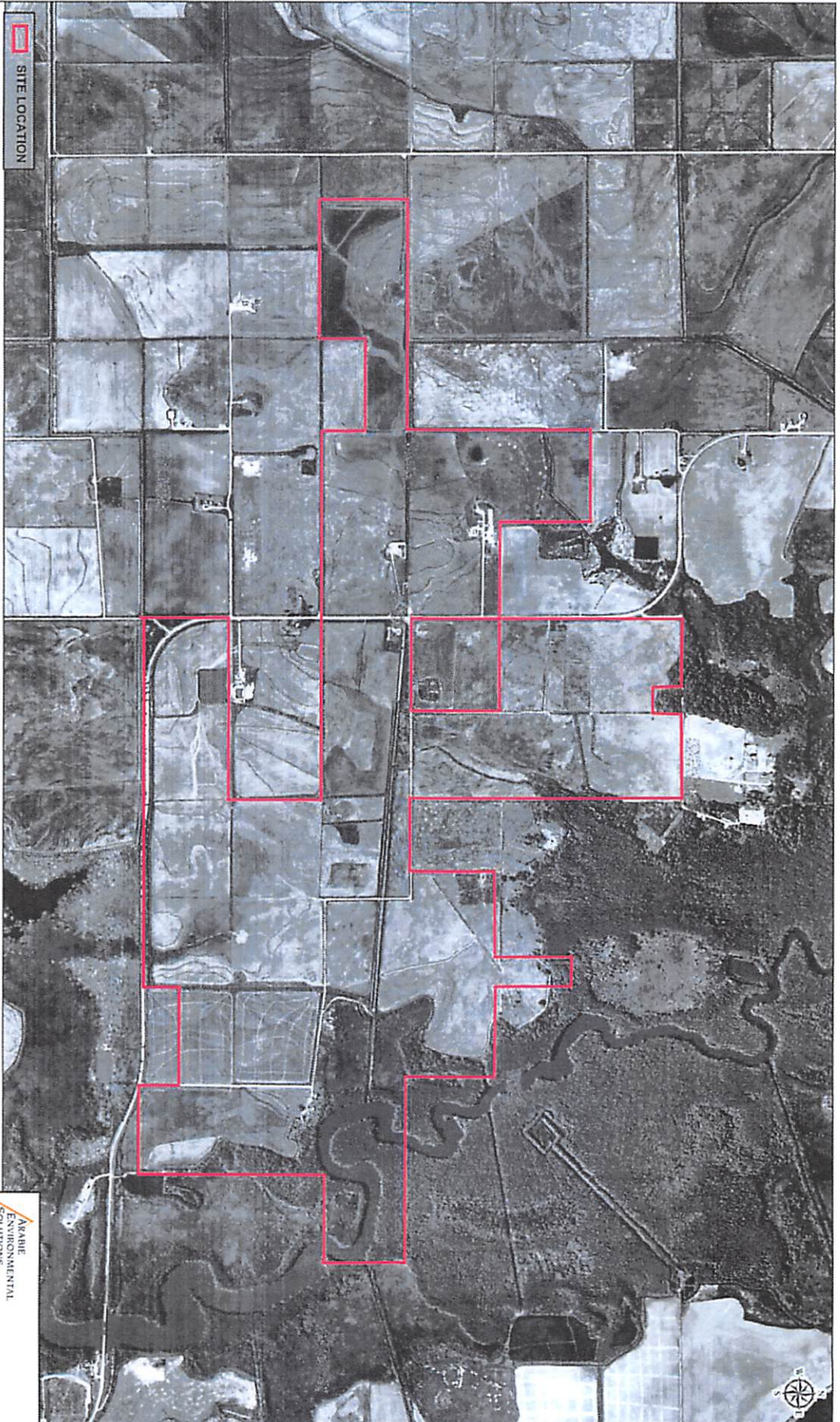



 SITE LOCATION

Date: 1974
Source: USGS

0 625 1,250 2,500 Feet


AVALON ENVIRONMENTAL SOLUTIONS
1974 AERIAL PHOTOGRAPH
ENVIRONMENTAL SITE ASSESSMENT
HIGHLAND TRACT
OCCOKEAN DISTRICT
JEFFERSON COUNTY, MISSISSIPPI
Date: 11/06/17 Project No: 1634
Drawn By: LOM Checked By: CU
11/06/17



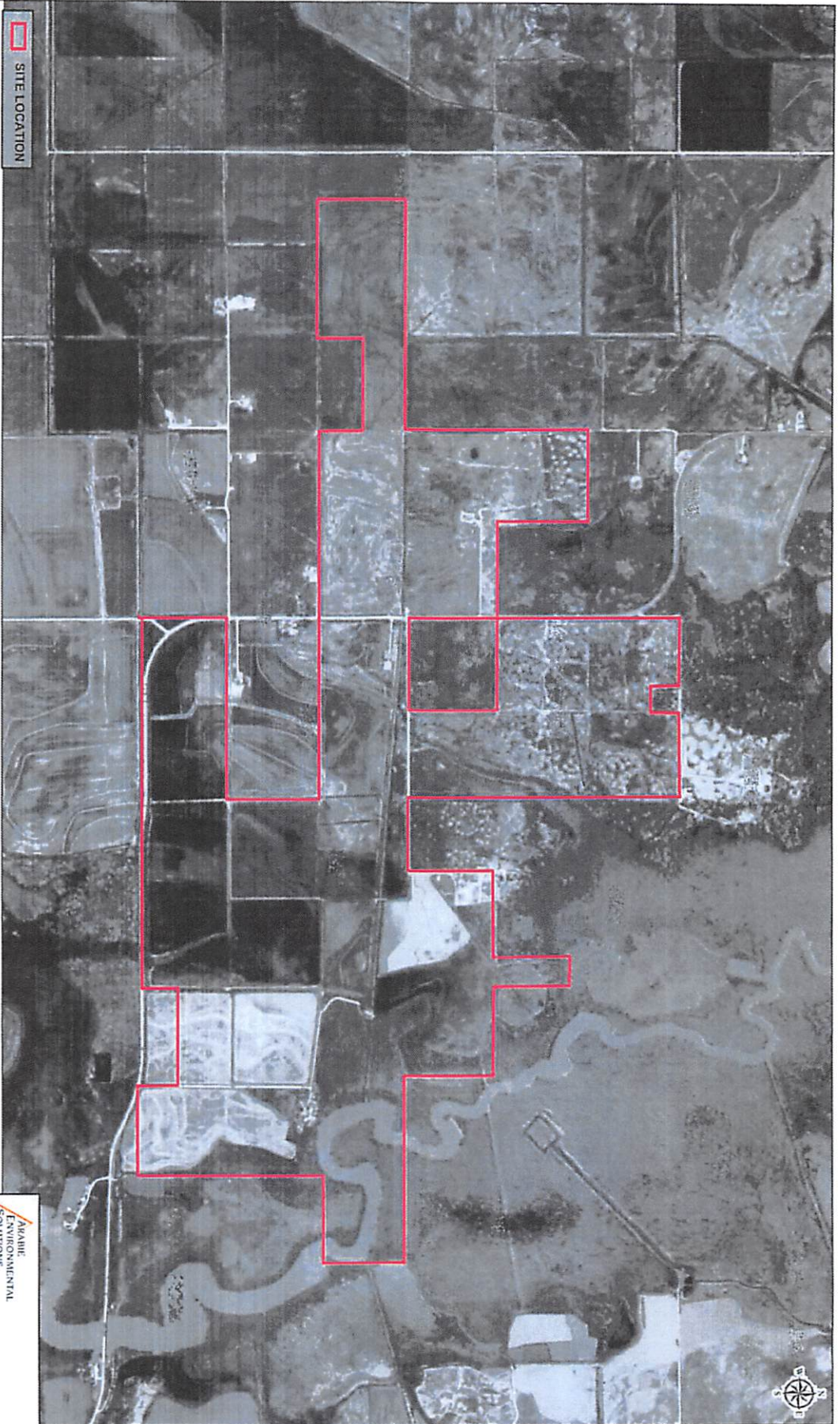
 SITE LOCATION

Date: 1981
Source: USGS

0 625 1,250 2,500 Feet

AVARUE ENVIRONMENTAL SOLUTIONS
1981 AERIAL PHOTOGRAPH
HARRIS COUNTY, TEXAS
HARRIS COUNTY TRACT #
#11100017
#11100017

Drawn By:	LCB	Checked By:	CSJ
Date:	11/06/17	Project No.:	11034

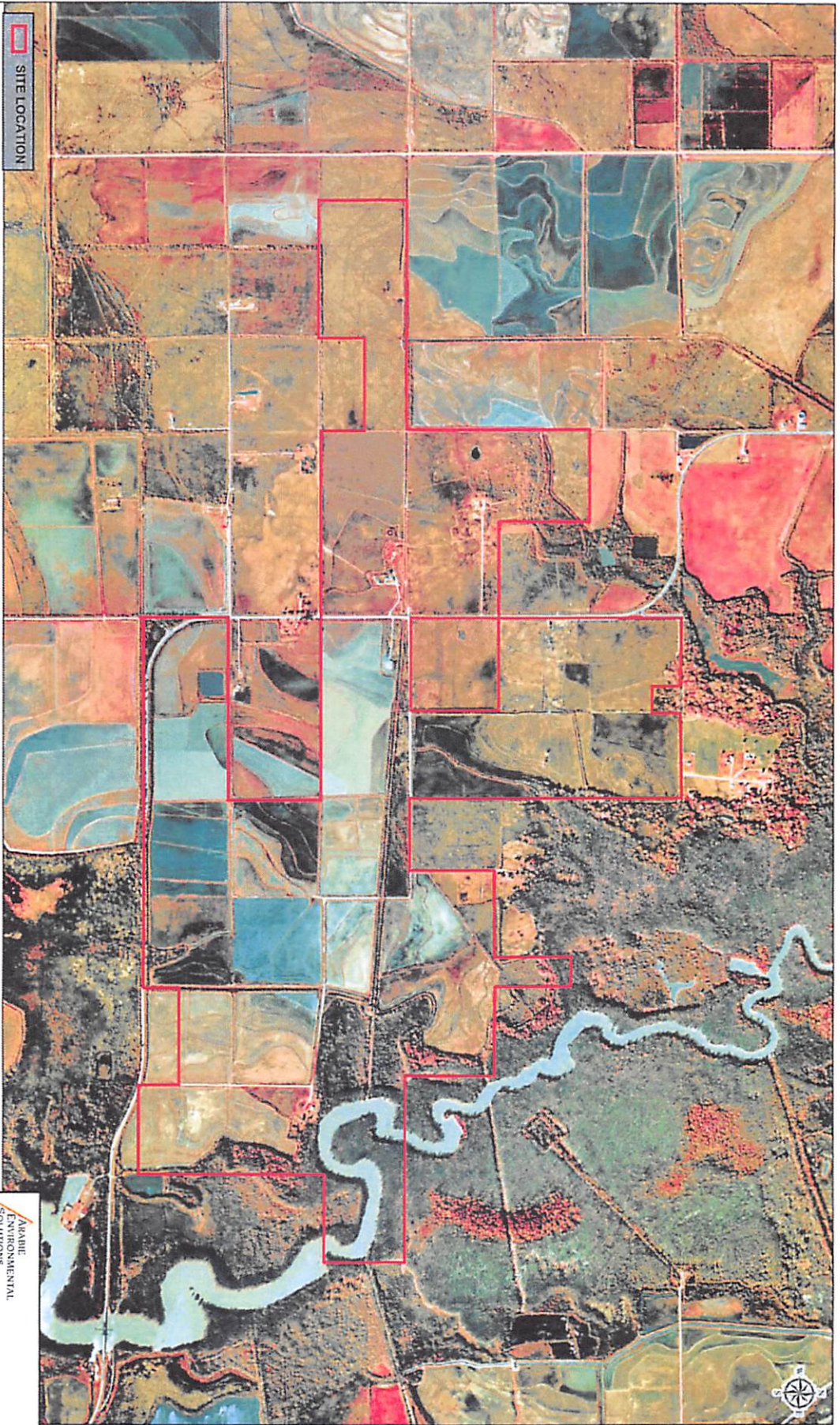


 SITE LOCATION

Date: 1990
Source: USGS



AMARILLO ENVIRONMENTAL SOLUTIONS
1990 AERIAL PHOTOGRAPHY
DRAWN BY: LOR
DATE: 1/10/07
CHECKED BY: CHU
PROJECT NO.: 1034

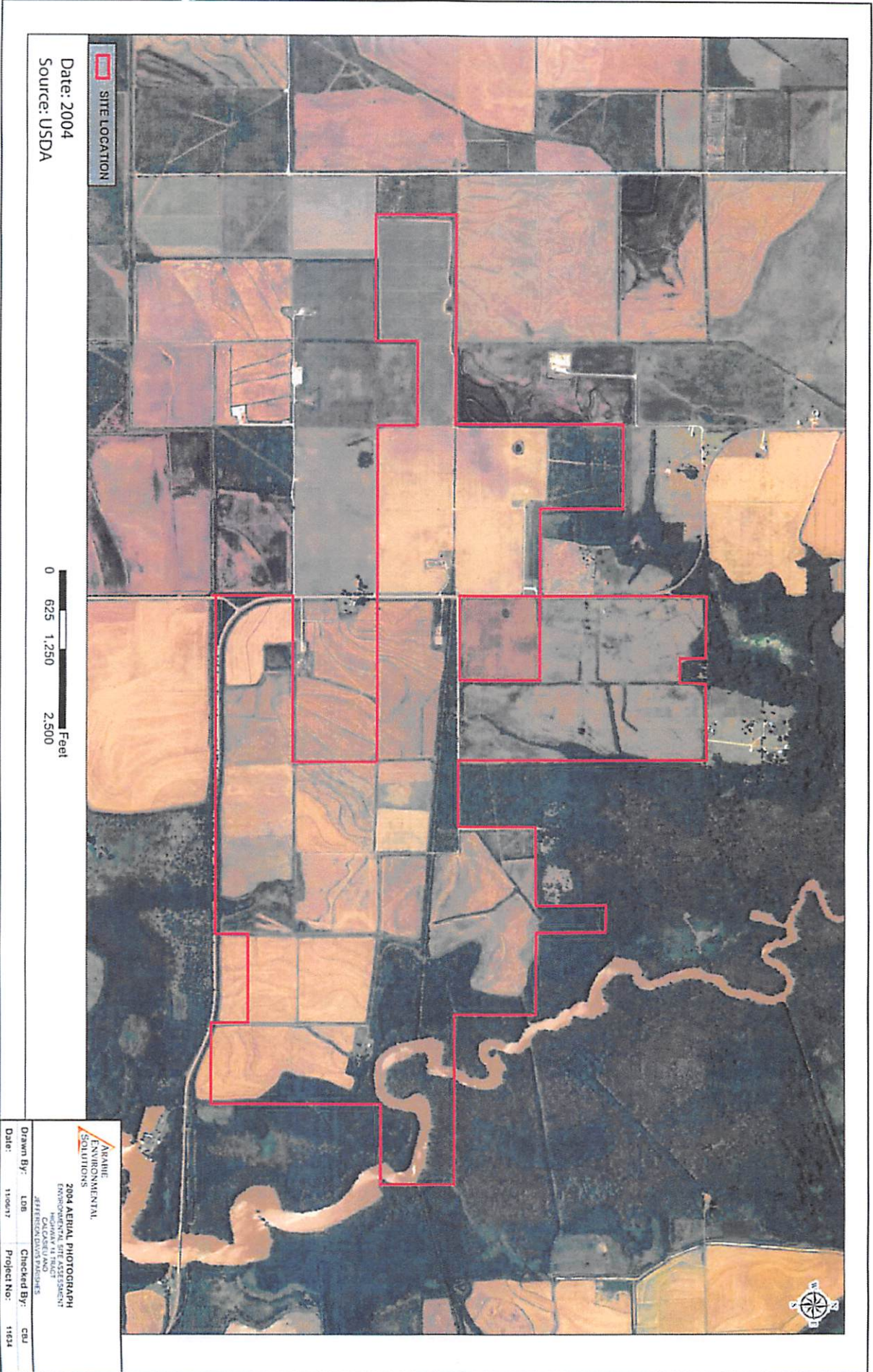


Date: 1998
Source: USGS

0 625 1,250 2,500 Feet

ARABIE ENVIRONMENTAL SOLUTIONS
1998 AERIAL PHOTOGRAPHY
DOWNSCALED FROM 5000 FT. RESOLUTION
HIGHWAY 74 TRACT
JEFFERSON COUNTY, MISSOURI

Drawn By:	LSB	Checked By:	CUJ
Date:	11/04/97	Project No.:	11031



 SITE LOCATION

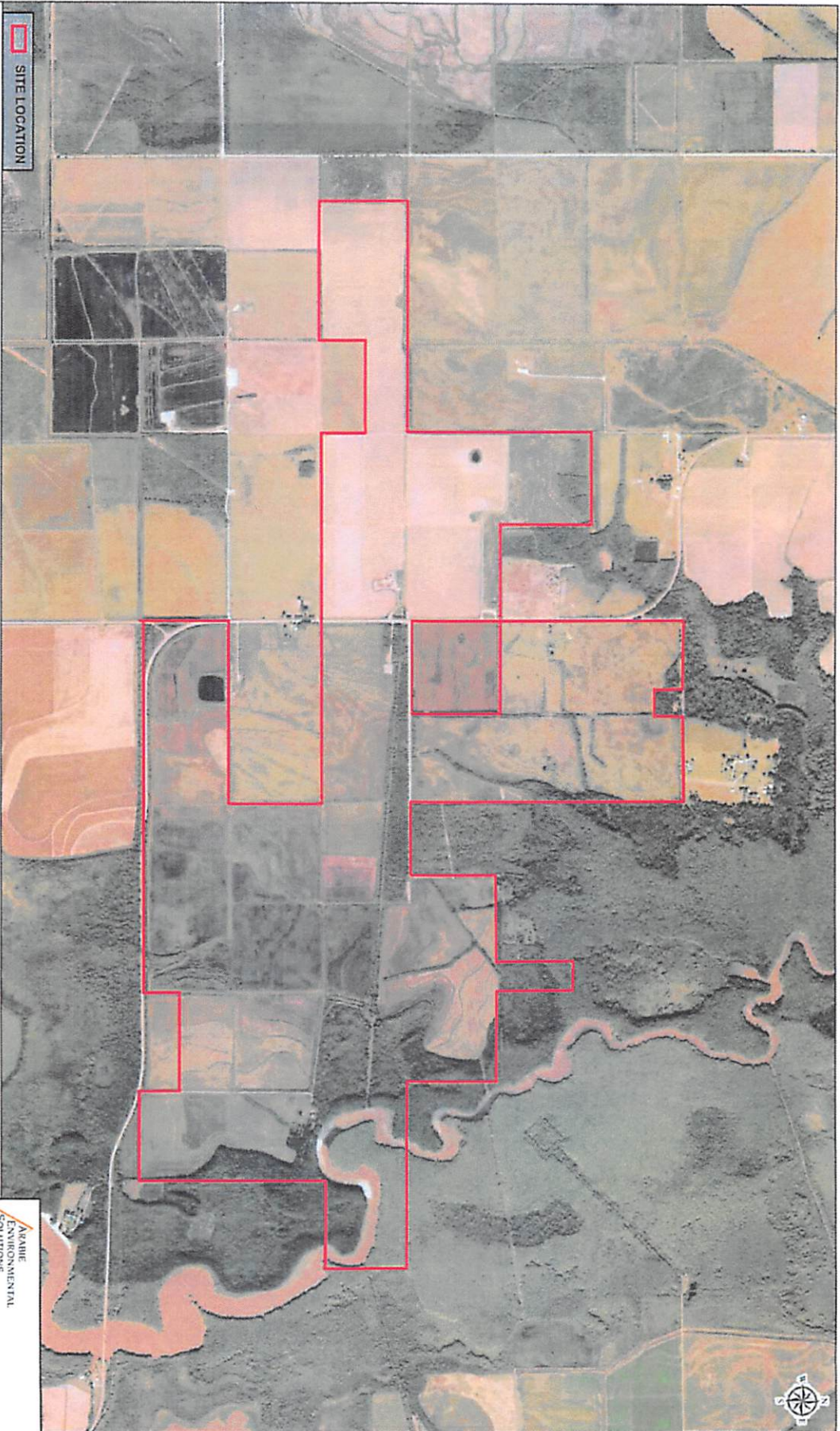
Date: 2004
Source: USDA



ANABIE ENVIRONMENTAL SOLUTIONS
2004 AERIAL PHOTOGRAPH
ENVIRONMENTAL SITE ASSESSMENT
HIGWAY 11 TRACT
JEEB, OAK GROVE, MICHIGAN


Drawn By:	LOB	Checked By:	CUJ
Date:	11/06/07	Project No.:	11634

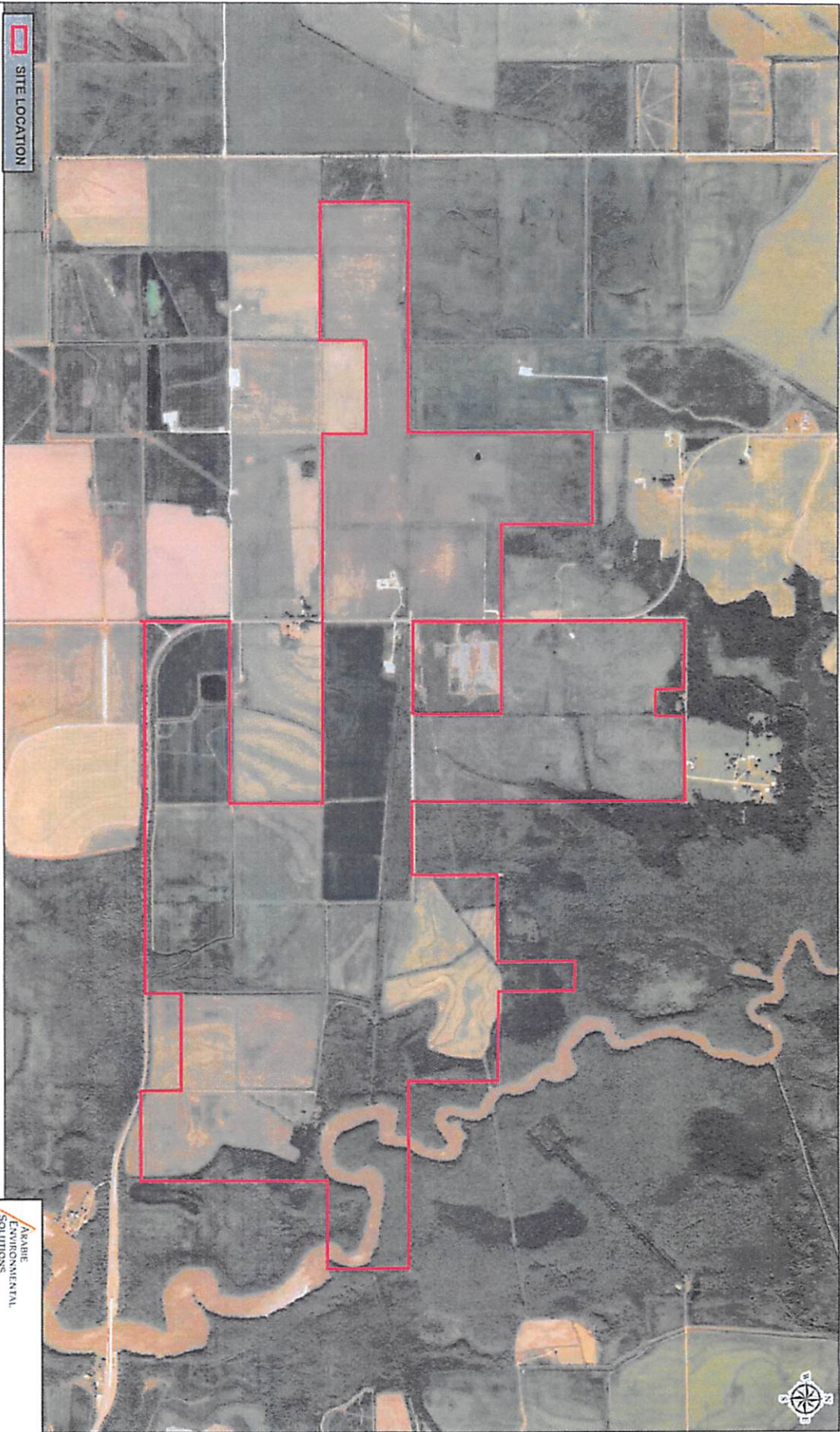





Date: 2009
 Source: USDA

0 625 1,250 2,500 Feet


 ANADIR ENVIRONMENTAL SOLUTIONS
 2009 AERIAL PHOTOGRAPH
 ENVIRONMENTAL SITE ASSESSMENT
 HIGWAY 11 TRACT
 DELCO COUNTY, MISSISSIPPI
 DATE: 11/06/17
 DRAWN BY: LOB
 CHECKED BY: CUJ
 PROJECT NO: 11034



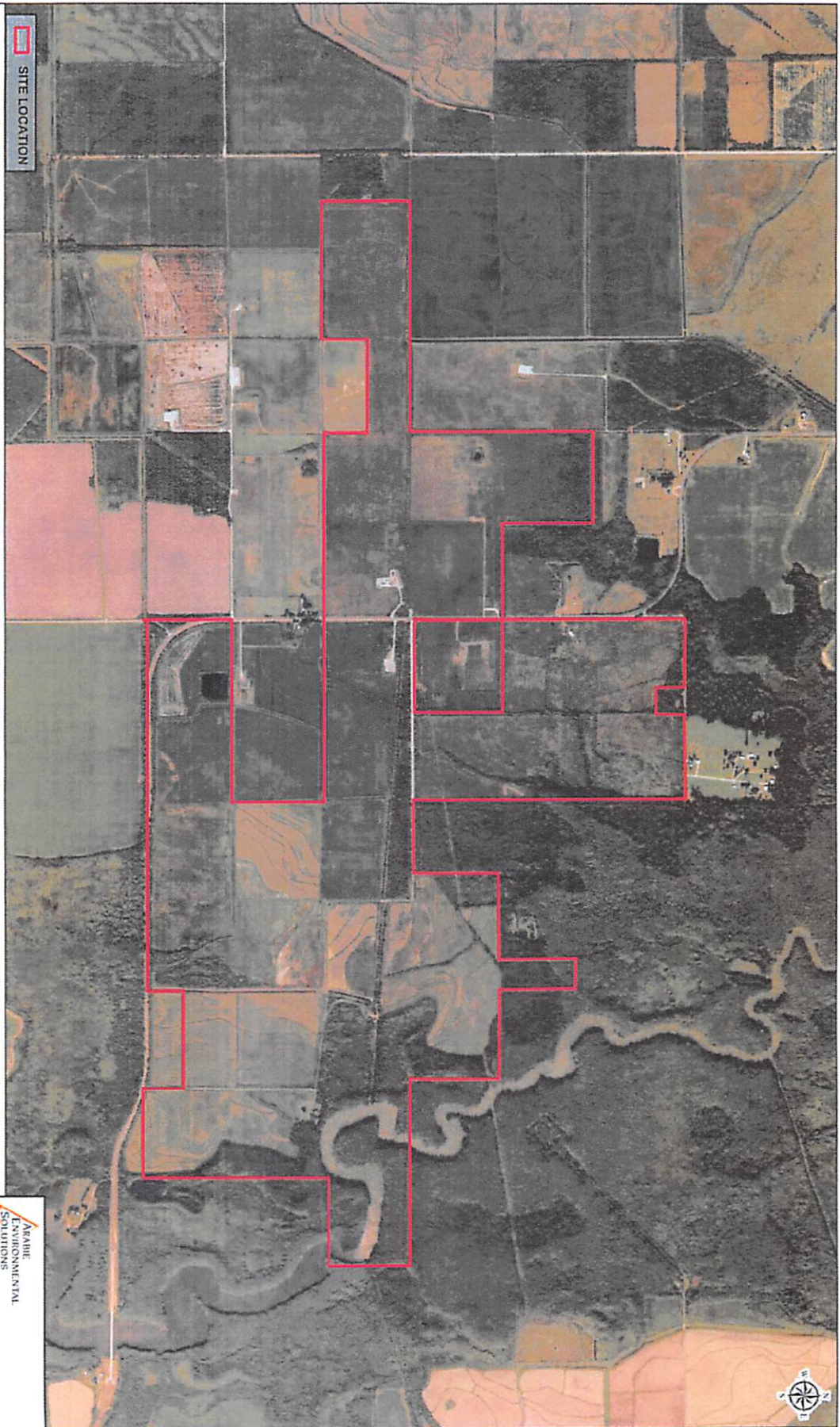
 SITE LOCATION


Date: 2013
Source: USDA

0 625 1,250 2,500 Feet

ARABE ENVIRONMENTAL SOLUTIONS
2013 AERIAL PHOTOGRAPH
ENVIRONMENTAL SITE ASSESSMENT
HAWAII FRI MDC
JETTIE RD/21 DAVIS/3000/SHRINE

Drawn By:	lob	Checked By:	caj
Date:	1/20/13	Project No:	1131



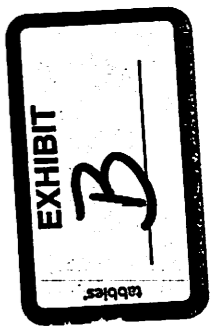
 SITE LOCATION

Date: 2015
Source: USDA

0 625 1,250 2,500 Feet


ARKADE ENVIRONMENTAL SOLUTIONS
2015 AERIAL PHOTOGRAPH
ENVIRONMENTAL SITE ASSESSMENT
HICKORYLAND
JEFFERSON DAVIS PARISH, LA
Date: 11/06/15 Drawn By: LCB Checked By: CBJ Project No: 11334

**Henning Management, L.L.C.
Hayes Field
Operator History**



1	20853					
		1/17/38	Permitted by Shell Petroleum Corporation			
		1/14/38	Drilling commenced			
		3/16/38	Completion			
		3/16/38	Status	Dry Hole		
2	25340					
		12/30/40	Permitted by Gulf Refining Company			
		1/3/41	Drilling commenced			
		8/13/41	Completion			
		8/13/41	Status	Dry Hole		
3	26358					
		8/4/41	Permitted by Gulf Refining Company			
		8/15/41	Drilling commenced			
		4/19/42	Completion			
		2/1/84	Change of Operator: Great Southern Oil & Gas Co., Inc.			
		6/4/84	Status	Plugged and Abandoned		
4	31298					
		12/25/45	Permitted by Gulf Refining Company			
		1/16/46	Drilling commenced			
		1/8/47	Completion			
		1/8/47	Status	Dry Hole		
5	44135					
		9/11/51	Permitted by H. L. Hawkins			
		10/11/51	Drilling commenced			
		12/31/51	Completion			
		12/1/76	Change of Operator: Coastal States Gas Production Company			

Henning Management, L.L.C.

Hayes Field

Operator History

		3/29/71	Status		Plugged and Abandoned		
6	97351						
		7/16/63	Permitted by Gulf Oil Corporation				
			Drilling commenced				
			Completiton				
		12/1/76	Status		Permit Expired		
					Never Drilled		
7	103174						
		6/11/64	Permitted by Gulf Oil Corporation				
		7/2/64	Drilling commenced				
		8/12/64	Completiton				
		5/12/80	Status		Plugged and Abandoned		
8	105169						
		9/17/64	Permitted by Gulf Oil Corporation				
		7/2/64	Drilling commenced				
		8/13/64	Completiton				
		5/12/80	Status		Plugged and Abandoned		
9	128241						
		3/27/69	Permitted by Gulf Oil Corporation				
		5/6/69	Drilling commenced				
		12/1/69	Completiton				
		12/28/83	Status		Pugged and Abandoned		
10	142076						
		2/14/73	Permitted by Ranger Oil Company				

Henning Management, L.L.C.

Hayes Field

Operator History

		2/27/73	Drilling commenced				
		4/26/73	Completiton				
		10/31/73	Status		Plugged and Abandoned		
11	142399						
		4/11/73	Permitted by Ranger Oil Company				
		2/27/73	Drilling commenced				
		10/31/73	Completiton				
		10/31/73	Status		Plugged and Abandoned		
12	153121						
		9/7/76	Permitted by Gulf Oil Corporation				
		10/8/76	Drilling commenced				
		11/12/76	Completiton		Dry Hole		
		6/22/79	Status		Plugged and Abandoned		
13	195098						
		9/24/84	Permitted by Graham Exploration, LTD.				
		10/11/84	Drilling commenced				
		12/28/84	Completiton				
		2/1/92	Change of Operator: Petrocana, Inc.				
		7/1/93	Change of Operator: United World Energy Corporation				
		9/22/12	Status		Temporarily Abandoned		
14	206344						
		7/13/87	Permitted by Flynn Energy Corporation				
		7/15/87	Drilling commenced				
		8/23/87	Completiton				
		8/1/90	Change in Operator: Coda Energy, Inc.				
		4/1/91	Change in Operator: Petrocana, Inc.				
		7/1/93	Change of Operator: United World Energy Corporation				

Henning Management, L.L.C.

Hayes Field

Operator History

		10/20/17	Status		Shut-in for future productive utility			
15	207055							
		10/14/87	Permitted by Flynn Energy Corporation					
		10/31/87	Drilling commenced					
		11/10/87	Completiton					
		11/10/87	Status		Dry Hole			
16	210306							
		7/24/89	Permitted by Richland Petroleum, Inc.					
			Drilling commenced					
			Completiton					
		1/26/90	Status		Permit Expired			
					Never Drilled			
17	213760							
		9/4/91	Permitted by Richland Energy, Inc.					
		1/27/90	Drilling commenced					
		4/3/92	Completiton					
		9/1/91	Change in Operator: Petrocana, Inc.					
		7/1/93	Change of Operator: United World Energy Corporation					
		10/20/17	Status		Shut-in for future productive utility			
18	970424		Hayes Salt Water Disposal Well					
		3/5/57	Permitted by Gulf Oil Corporation					
		3/4/57	Drilling commenced					
		3/26/57	Completiton					
		12/6/83	Status					
19	970427		Hayes Unit 1 Salt Water Disposal Well No. 2					
		10/4/77	Permitted by Gulf Oil Corporation					

Henning Management, L.L.C.

Hayes Field

Operator History

		10/31/77	Drilling commenced				
		10/4/77	Completiton				
		9/4/84	Status				

(Signed) Lester C. Hoover ATTEST: Mrs. W. A. Martin, Mrs. Regina L. Wood

STATE OF LOUISIANA : PARISH OF CALCASIEU

BEFORE ME, Lindsey L. Thomas, Notary Public in and for said Parish and State, this day personally appeared Lester C. Hoover And to me personally known to be the identical person whose name is subscribed to the foregoing instrument, and acknowledge, to me in the presence of Mrs. W. A. Martin and Mrs. Regina L. Wood witnesses that he has executed the same on the date hereof, and that it was of his own free and voluntary act for the uses and purposes thereon expressed.

WITNESS my official signature and seal at DeQuincy, Louisiana, on this 1st day of November A. D. 1944.

(Signed) Lester C. Hoover, WITNESSES: Mrs. W. A. Martin, Mrs. Regina L. Wood

(Signed) Lindsey L. Thomas, Notary Public (SEAL)

55¢ Rev. Stamp Affixed & Cancelled

FILED MARCH 28, 1946 : FILE NO. 340461

RECORDED APRIL 4, 1946

ogier

CLERK & EX-OFFICIO RECORDER

***** E I B *****

A L E X B R O W N
TO
GULF REFINING COMPANY
RATIFICATION AND
EXTENSION AGREEMENT

RATIFICATION AND EXTENSION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: That ALEX BROWN, husband of Irene Fremeaux, a resident of Acadia Parish, H. P. MORGAN, husband of Vicie Stutes, a resident of the Parish of Vermillion, and ISLAND PLANTATION AND CANAL, CO., a Louisiana corporation represented herein by Lawrence Brown, Secretary-

Treasurer, duly authorized, hereinafter called "LESSORS", and GULF REFINING COMPANY, a Delaware corporation authorized to do business in Louisiana, represented herein by J. H. Russel, its Vice-President, duly authorized, hereinafter called "LESSEE", have entered into the following agreement:

WHEREAS, Lessee is the owner of that certain oil, gas and mineral lease executed by Alex Brown and H. P. Morgan to Gulf Refining Company, dated September 16, 1940, of record in Volume 329, page 472 of the Conveyance Records of the Parish of Calcasieu, Louisiana, and in Volume 89, page 241 of the Conveyance Records of the Parish of Jefferson Davis, Louisiana, in so far as said lease covers and affects an undivided Five-twelfths (5/12) interest in and to the following described land situated in the Parish of Calcasieu, Louisiana, to-wit:

West Half (W $\frac{1}{2}$) of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, and the East Half of East Half (E $\frac{1}{2}$ of E $\frac{1}{2}$) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing 480 acres, more or less; and hereinafter referred to as "the 480 acre tract.

AND, WHEREAS, Lessee is the owner of that certain oil, gas and mineral lease executed by J. K. Morgan to Gulf Refining Company, dated September 16, 1940, of record in Volume 329, page 468 of the Conveyance Records of the Parish of Calcasieu, Louisiana, and in Volume 89, page 236 of the Conveyance Records of the Parish of Jefferson Davis, Louisiana, in so far as said lease covers and affects an undivided One-twelfth (1/12) interest in and to the land above described;

AND, WHEREAS, Lessors have acquired the interest of J. K. Morgan in said land, and have also acquired interests in said property in addition to the interests covered by said leases;

AND, WHEREAS, the rights of Lessor and Lessee in and to said property are now subject to a pooling and unitization contract, in so far as concerns production of gas and distillate only, dated as of March 6, 1943, covering and affecting a unit comprising the following described lands situated in the Parishes of Calcasieu and Jefferson Davis, Louisiana, to-wit:

EXHIBIT
C

East Half ($E\frac{1}{2}$) of East Half ($E\frac{1}{2}$) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing One Hundred Sixty (160) acres, more or less;

All of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, containing Six Hundred Forty (640) acres, more or less.

West Half ($W\frac{1}{2}$) of West Half ($W\frac{1}{2}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, containing One Hundred Sixty (160) acres, more or less.

Northeast Quarter ($NE\frac{1}{4}$) of Northeast Quarter ($NE\frac{1}{4}$) of Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, containing Forty (40) acres, more or less;

Northwest Quarter ($NW\frac{1}{4}$) of Northwest Quarter ($NW\frac{1}{4}$) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West, containing Forty acres, more or less;

North Two Hundred Forty (240) acres of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West;

containing in the aggregate 1280 acres, more or less; and hereinafter referred to as "the 1280 acre tract";

one of the counterparts of which pooling and unitization contract was executed by Lessors and is recorded in Book 372, page 315 of the Conveyance Records of the Parish of Calcasieu, Louisiana, and Book 105, page 600 of the Conveyance Records of the Parish of Jefferson Davis, Louisiana; and one of the counterparts of which pooling and unitization contract, executed by Lessee, is recorded in Book 357, page 87 of the Conveyance Records of the Parish of Calcasieu, Louisiana, and Book 100, page 219 of the conveyance Records of the Parish of Jefferson Davis, Louisiana.

NOW, THEREFORE, in consideration of Five Hundred (\$500.00) Dollars cash in hand paid and other valuable and adequate consideration received by Lessors from Lessee, it is agreed:

1. The said oil, gas and mineral leases are hereby amended so as to cover and include all interests which Lessors now have in said 480 acre tract, including the interests covered by said leases, and also all other interests Lessors have acquired.

2. Lessors agree that said oil, gas and mineral leases as herein amended are now in full force and effect and subject to said pooling and unitization contract and shall so continue and remain in full force and effect and subject to said pooling and unitization contract through the 18th day of January, 1951, and that during the intervening time Lessee shall not be under any obligation to Lessors to carry on any development or production operations on said 1280 acre tract or said 480 acre tract, but Lessee shall have the optional right to carry on such operations

3. Lessors agree that said oil, gas and mineral leases, as herein amended shall continue in full force and effect and subject to said pooling and unitization contract after January 18, 1951, so long as gas or distillate is being produced in commercial quantities from said 1280 acre tract or Lessee is prosecuting reworking, drilling or other production operations thereon; provided, that if on January 18, 1951 Lessee is not producing, or at any time thereafter ceases producing, gas or distillate in commercial quantities from said 1280 acre tract and is not connected to a pipeline, or is not engaged in reworking or drilling operations thereon, then Lessee may continue said oil, gas and mineral leases in full force and effect and subject to said pooling and unitization contract by paying Lessors One Hundred Fifty and No/100 (\$150.00) Dollars per month for each calendar month during which no gas or distillate is so produced, nor such operations carried on, payment to be made for any such calendar month within thirty days after its termination; provided further, that Lessee shall not be required in any event to make such payment to keep said oil, gas and mineral leases in full force and effect as to said 480 acre tract so long as Lessee is producing oil therefrom in commercial quantities, or prosecuting reworking,

drilling or other production operations thereon. Production on above leases shall not be considered as being in commercial quantities if said production consists wholly of the production of gas used in conducting drilling, reworking or other operations off of said leased premises, or the pooling and unitization area of which said leased premises form a part.

4. In lieu of the royalties provided in said oil, gas and mineral leases, Lessor shall receive on production of gas and distillate from said 1280 acre unit, so long as said pooling and unitization contract continues in existence, the following royalties, and none other, to-wit:

(a) Eleven-One Thousand Twenty-fourths (11/1024) of the distillate produced and saved and not used for fuel in conducting operations on said unit or in treating to make marketable the products therefrom;

(b) One gas, including casinghead gas or other gaseous substance, produced from said unit and sold for purposes other than the manufacture of gasoline, the selling price at the well of Eleven-One Thousand Twenty-fourths (11/1024) of the gas so sold. If such gas is sold for the manufacture of gasoline therefrom, the royalty shall be Eleven-One Thousand Twenty-fourths (11/1024) of the amount realized from such sale. In the event said gas is used off the unit or in the manufacture of gasoline therefrom by Lessee, the royalty shall be Eleven-One Thousand Twenty-fourths (11/1024) of the commercial sale value of such gas at the well,

5. In lieu of the royalties provided in said mineral leases, Lessors shall receive on minerals, except gas and distillate, produced and saved from said 480 acre tract the following royalties, and none other, to-wit:

(a) Eleven-Three Hundred Eighty Fourths (11/384) of the oil produced and saved and not used for fuel in conducting operations on said land or in treating to make marketable the products therefrom, and a like interest in any waste oil from the land or coming onto the land from other sources, if utilized;

(b) On sulphur Eleven cents (\$.11) for each long ton marketed.

6. Lessors shall pay all severance taxes on the royalties provided for by this contract.

7. The terms and conditions hereof shall extend to and be binding upon the heirs, assigns and sublessors of the parties.

IN TESTIMONY WHEREOF, this instrument is signed in duplicate originals in the presence of the undersigned competent witnesses, on this the 4th day of March, A. D. 1946.

(Signed) Alex Brown

WITNESSES: T. R. Deen, Jr., I. P. Saal

(Signed) H. P. Morgan

WITNESSES: T. R. Deen, Jr., I. P. Saal

ISLAND PLANTATION AND CANAL, INC., By (Signed) Lawrence Brown, Secretary-Treasurer (SEAL)

(Signed) T. P. Deen Jr., I. P. Saal

GULF REFINING COMPANY, BY (Signed) J. H. Russell, Vice-President

WITNESSES: D. S. Scott, J. B. Viotery

STATE OF LOUISIANA : PARISH OF AGADIANA

BEFORE ME, the undersigned authority, this day personally appeared T. R. Deen, Jr., to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath, says: That he subscribed his name to the foregoing instrument as a witness, and that he knows Alex Brown and H. P. Morgan and Lawrence Brown, Secretary-Treasurer of Island Plantation and Canal, Inc., named in said instrument, to be the identical persons described therein, and who executed the same, and he saw the said Alex Brown and H. P. Morgan and Lawrence Brown, Secretary-Treasurer of Island Plantation and Canal, Inc., acting for and on behalf of said corporation, sign the same as their voluntary act and deed, and that he, the said T. R. Deen, Jr. subscribed his name to the same at the same time as an attesting witness.

(Signed) T. R. Deen, Jr.,

Sworn to and subscribed before me, this 4th day of March, 1946.

(Signed) L. A. Williams, Notary Public (SEAL)

STATE OF LOUISIANA : COUNTY OF HARRIS

BEFORE ME, the undersigned authority, this day personally appeared J. H. Russell to me personally known, who, being by me duly sworn did say that he is vice-president of Gulf Refining Company, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said J. H. Russell acknowledged said instrument to be the free act and deed of said corporation.

(Signed) J. H. Russell

Sworn to and subscribed before me, this 11th day of March, 1946.

(Signed) Margie D. Johnson, Notary Public in and for Harris Country, Texas (SEAL)

EXTRACT FROM THE MINUTES OF A MEETING OF THE DIRECTORS OF ISLAND PLANTATION AND CANAL, INC.

"RESOLVED That Lawrence Brown, Secretary-Treasurer of the Corporation, be and he is hereby authorized and empowered for and on behalf of the corporation to enter into a contract with Gulf Refining Company, either on behalf of the corporation alone or jointly with co-owners of the corporation, for such consideration and upon such terms and conditions as he may consider advisable, enlarging, extending, amending, modifying, ratifying, confirming or otherwise agreeing with reference to, any mineral lease or pooling or unitization agreement affecting the corporation's interest in the Parish of Calcasieu, Louisiana, to-wit:

"W₁/₂st Half (W₁/₂) of Section Eighteen (18), Township Eleven (11) South, Range Five (5) W₂st, and the East Half of East Half (E₁/₂ of E₁/₂) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing 480 acres, more or less;

and to execute on behalf of the corporation any other contract which he may deem convenient or necessary in carrying out the purposes of this resolution and exercising the power and authority hereby conferred."

I, Lawrence Brown, Secretary of Island Plantation and Canal, Inc., hereby certify that the foregoing is a true and correct copy of a resolution duly adopted at a meeting of the directors of the Corporation held at its office in Crowley, Louisiana, on the 4th day of March, 1946, after due and legal notice to all directors and that a quorum was present and voted, and that said resolution has not been modified nor revoked and is still in full force and effect.

WITNESS my official signature and the seal of the corporation on this the 4th day of March, 1946.

(Signed) Lawrence Brown, Secretary (SEAL)

FILED MARCH 28, 1946 : FILE NO. 340486

RECORDED APRIL 4, 1946

ogier

CLERK & EX-OFFICIO RECORDER

ELB

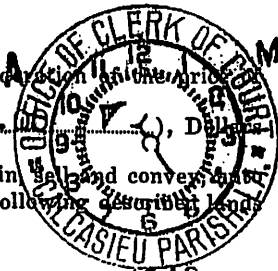
ROYALTY DEED

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014

KNOW ALL MEN BY THESE PRESENTS:

CONVEYANCE

FILED
263658



That Hattie B. Litton

for and in consideration of

Twenty-five & no/100

(\$ 25.)

cash in hand paid, has granted, bargained, sold and conveyed, and does by these presents grant, bargain, sell and convey unto J. B. FERGUSON, JR., the mineral royalty interests hereinafter set out affecting and relating to the following described lands in Calcasieu Parish, State of Louisiana, to-wit:

South Half of Northwest Quarter and East Half of South west Quarter (S $\frac{1}{2}$ of NW $\frac{1}{4}$ and E $\frac{1}{2}$ of SW $\frac{1}{4}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, La. Mer.

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The royalty interests and rights herein sold, transferred and conveyed are:

(a) 1/2560 Royalty of the whole of any oil, gas or other minerals, except sulphur, on and under and to be produced from said lands; delivery of said royalties to be made to the purchaser herein in the same manner as is provided for the delivery of royalties by any present or future mineral lease affecting said lands.

(b) .015 cents per long ton for all sulphur produced from said lands, payments therefor to be made monthly for sulphur marketed.

This sale and transfer is made and accepted subject to an oil, gas and mineral lease now affecting said lands but the royalties hereinabove described shall be delivered and/or paid to the purchaser out of and deducted from the royalties reserved to the lessor in said lease. This sale and transfer, however, is not limited to royalties accruing under the lease presently affecting said lands but the rights herein granted are and shall remain a charge and burden on the land herein described and binding on any future owners or lessees of said lands and, in the event of the termination of the present lease, the said royalties shall be delivered and/or paid out of the whole of any oil, gas or other minerals produced from said lands by the owner, lessee or anyone else operating thereon.

The grantor herein reserves the the right to grant future leases affecting said lands so long as there shall be included therein, for the benefit of the grantee herein, the royalty rights herein conveyed; and the grantor further reserves the right to collect and retain all bonuses and rentals paid for or in connection with any future lease or accruing under the lease now outstanding.

TO HAVE AND TO HOLD said royalty rights unto the said purchaser, forever; and the said grantor hereby agrees to warrant an forever defend said rights unto the said purchaser against any person whomsoever lawfully claiming or to claim the same.

WITNESS the signature of grantor, in the presence of the undersigned lawful witnesses, on this the 2nd day of December, 1940.

WITNESSES:

Ruby McClellan
WB Eural

Hattie B. Litton

STATE OF LOUISIANA

PARISH OF Calcasieu

BEFORE ME, the undersigned Notary Public in and for the State and Parish aforesaid, on this day came and appeared Ruby McClellan who being by me duly sworn, deposes and says that he was one of the subscribing witnesses to the above and foregoing instrument, and that the same was signed by Hattie B. Litton (Grantor, as above mentioned) in his presence and in the presence of the other subscribing witness.

Ruby McClellan
Subscribing Witness.

Sworn to and subscribed before me this the 2nd day of December 1940.

Edna Courser
Notary Public in and for

Calcasieu Parish, Louisiana.

It is further agreed that for and in consideration of the party of the Second Part furnishing water to properly irrigate the above mentioned acreage of rice for the year 1941 on a basis of one-fifth (1/5) of the crop, party of the First Part does hereby lease and let the irrigating canal described herein, said lease to terminate on the 15th day of November, 1941, and Party of Second part agrees, without further notice, to surrender possession of said premises, as described above, on the 15th day of November, 1941, in as good condition as when received by them, natural deterioration alone excepted, hereby waiving any other or further notice of the termination of said lease on said date. Party of the Second Part further agrees that possession by them for any period after November 15, 1941, shall be by sufferance and shall not in any event be construed as a reconduction of the lease for an additional year.

IN TESTIMONY WHEREOF Witness the signature of said Party of First Part at Lake Charles, Louisiana, in the presence of the undersigned competent witnesses, on this 5th day of April, A. D. 1941.

WITNESSES:
[Signature]
[Signature]

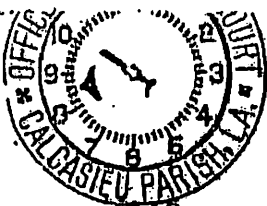
W. T. BURTON, CHAS. R. BOUSSELE AND
 TERNELL WOOLLEY, TRUSTEES
 By- [Signature]
 Secretary to Trustees
 (Party of First Part)

IN TESTIMONY WHEREOF, Witness the signature of the party of Second Part hereon at Crowley, Louisiana, in the presence of the undersigned competent witnesses, on this 4 day of April, A. D. 1941.

WITNESSES:
[Signature]
[Signature]

ALIX BROWN and HIRSH F. BROWN
 By- [Signature]
 (Party of Second Part)

APR 18 1941
 DEPT. OF AGRICULTURE
 IN WASHINGTON, D. C.
 RECEIVED
 339
 THE SECRETARY OF AGRICULTURE



CONVEYANCE

THE STATE OF TEXAS ()

COUNTY OF HARRIS ()

THIS INSTRUMENT WITNESSETH: THAT

By instrument dated May 28, 1942, effective as of December 9, 1940, of record in Book 96, page 206 of the Conveyance Records of Jefferson Davis Parish, Louisiana, and in Book 345, page 568 of the Conveyance Records of Calcasieu Parish, Louisiana, Shell Oil Company, Incorporated, formerly Shell Petroleum Corporation, made, executed and delivered to Gulf Refining Company a sub-lease affecting all of its right, title and interest in and to the following described oil, gas and mineral lease in so far as said lease covers the following described tracts of land situated in Calcasieu and Jefferson Davis Parishes, Louisiana, to-wit:

Oil, gas and mineral lease dated May 19, 1938, recorded in Conveyance Record No. 309, at page 166 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Conveyance Record No. 78, at page 570 of the Conveyance Records of Jefferson Davis Parish, Louisiana, executed by Calcasieu National Bank in Lake Charles, in Liquidation, et al, as lessor, to Shell Petroleum Corporation, as lessee, in so far as said lease covers the following described lands situated in Calcasieu and Jefferson Davis Parishes, Louisiana, to-wit:

NE $\frac{1}{4}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11; SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$, less West 10 acres, of Section 12, Township 11 South, Range 6 West;

SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 16; SW $\frac{1}{4}$ NW $\frac{1}{4}$, less 2.34 acres in North-east corner and NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17; S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 18; E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 19; NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 20; and fractional N $\frac{1}{2}$ NW $\frac{1}{4}$, fractional NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and an 8 acre tract in N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 21, all in Township 11 South, Range 5 West.

Reference is hereby made to the above described lease and sub-lease, and the record thereof, for all purposes.

Now, in consideration of One Dollar and other valuable considerations to it paid by C. N. Housh, hereinafter referred to as "Obligee", Gulf Refining Company, hereinafter referred to as "Obligor", subject to the conditions and stipulations herein contained, hereby covenants and agrees:

I.

(a) To pay to the said Obligee one-forty-eighth (1/48th) of the value of any oil which may be produced and saved by Obligor from said premises under and by virtue of the above mentioned lease and sub-lease, while said lease is in force, such value to be calculated at the prevailing market price of the oil, or oil of like kind and quality, in that field at the time of production, settlements therefor to be made on monthly statements, based on pipe line runs, from the Pipe Line Company to which said oil may be delivered.

(b) To pay to the said Obligee one-forty-eighth (1/48th) of the amount received from the sale of any gas produced and marketed from said premises by Obligor under and by virtue of said lease and sub-lease, while said lease is in force, payment therefor to be made quarterly.

II.

It is mutually stipulated and agreed by Obligor and Obligee that this agreement is executed upon only the following terms and conditions:

750
100
350
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Ok

(a) All taxes imposed upon the production of oil and gas, and the value of all oil and gas used for fuel in operating the premises and that used in treating and handling the products therefrom, or the proper proportion of the value of the oil and gas consumed as fuel in a central plant, should said premises be operated jointly with other premises through the use of such plant, shall be deducted from the value of the oil produced and saved, and from the value of the gas produced and marketed, before the amounts hereinabove stipulated to be paid to Obligees shall be computed.

(b) After production is secured from said premises, the Obligor, in lieu of using the identical fuel produced on said premises, may procure fuel otherwise, and charge the proper proportionate cost of same against the amounts herein stipulated to be paid to the Obligees, and in such cases, settlements shall be made with Obligees after deducting his proper proportion of the cost of such fuel, or Obligor may use electric or other power in operating said property, and in such event the proper proportion of the cost of such power shall be deducted before payment is made to Obligees.

(c) No provision herein contained shall ever be construed as imposing upon Obligor any obligation, either express or implied, (1) to preserve the foregoing lease by rental payments or by drilling operations in lieu thereof, (2) nor to conduct operations on said premises for the discovery and production of oil, gas or other minerals. The extent and duration of such operations, if conducted, shall be wholly at the will of Obligor, and Obligor shall have the right at any time, either before or after discovery and production of oil, gas or other minerals, to abandon or to surrender to lessor, or to reassign to Obligor's assignors all rights, titles, privileges and estates acquired by it under the terms of the foregoing lease and sub-lease, and in the event of such abandonment or surrender or reassignment, the rights and interests granted by this instrument shall cease and determine.

(d) If production is secured on any tract covered by the foregoing lease and sub-lease, in which the interest of lessor is less than the whole and undivided fee, then the amounts herein agreed to be paid by Obligor to Obligees shall be proportionately decreased as to such tract. Likewise, if title to the leasehold estate should fail, in whole or in part, as to any tract covered by this agreement, payments above provided to be made to Obligees shall be proportionately decreased.

(e) The rights of either party hereunder may be assigned in whole or in part, and the covenants and agreements herein contained shall extend to and bind the heirs, successors and assigns of the parties hereto, but Obligor shall not be required to take notice of any change or division effected by Obligees, or of any change or division howsoever effected, until furnished with the original instrument or a certified copy thereof evidencing such change or division. If six or more persons become entitled to share in the payments herein provided for, Obligor may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive and receipt for payment for all.

(f) No provision herein contained shall ever be construed as (1) conveying to Obligees any interest in or to any of the oil, gas or other minerals in place under the land described in the foregoing lease and sub-lease, nor as (2) conveying to the Obligees any right, title or interest in or to the privileges and estates created or granted under the terms of the above described lease.

(g) The provisions hereof shall not be binding on Obligor until this agreement is duly executed and delivered by Obligees to Obligor.

The provisions hereof shall constitute covenants running with the leasehold estate created by the foregoing lease and covered by the foregoing sub-lease, and shall pass by assignment of said leasehold estate, or shall cease upon abandonment or surrender and release as above provided.

This agreement is executed by Gulf Refining Company without warranty,

either express or implied.

IN EVIDENCE WHEREOF this instrument is executed in duplicate originals by the parties hereto on this the 9th day of July, 1942.

ATTEST:

J. E. Victory
Assistant Secretary

GULF REFINING COMPANY

BY L. P. Garrett
Vice-President

OBLIGOR

WITNESSES:

J. E. Victory
James A. Branch

Janie Parker Janie Parker
Notary Public in and for
Harris County, Texas.

EXECUTED IN ACCEPTANCE by Obligee in the presence of Truman Branton and Etta P. Taylor, competent witnesses, and of the undersigned notary public, on this the 14 day of July, 1942.

WITNESSES:

Truman Branton
Etta P. Taylor

C. W. Smith

OBLIGEE

Jewelyn Mansfield
Notary Public in and for
Harris County, Texas.

REPLACES NOTARY PUBLIC

THE STATE OF TEXAS ()
COUNTY OF HARRIS ()

BEFORE ME, the undersigned authority, on this day personally appeared J. E. Victory, who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Gulf Refining Company, acting by and through L. P. Garrett, its Vice-President, in his presence and in the presence of James A. Branch, the other subscribing witness.

SWORN TO AND SUBSCRIBED BEFORE ME, this the 9th day of July, 1942.

J. E. Victory
Janie Parker Janie Parker
Notary Public in and for
Harris County, Texas.

THE STATE OF TEXAS)
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared Truman Branton who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by C. N. Housh (Obligee as above mentioned) in his presence and in the presence of Etta P. Taylor, the other subscribing witness.

Truman Branton

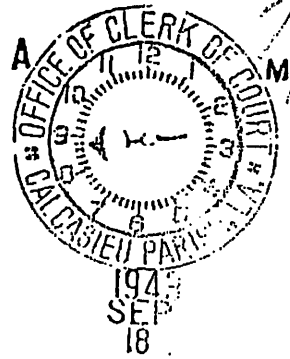
SWORN TO AND SUBSCRIBED BEFORE ME, this the 14th day of July, 1942.

Evelyn Mansfield
Notary Public in and for
Harris County, Texas.

EVELYN MANSFIELD

STATE OF LOUISIANA
PARISHES OF CALCASIEU
AND JEFFERSON DAVIS

~~CONVEYANCE~~



KNOW ALL MEN BY THESE PRESENTS: That,

I.

For good and valuable consideration, Shell Oil Company, Incorporated, a Virginia corporation, hereinafter called "SHELL," does hereby transfer and sublease, without warranty of title, express or implied, and subject to the reservations, provisions, and conditions hereinafter set forth, unto Gulf Refining Company, hereinafter called "SUBLESSEE," its successors and assigns, all of the right, title and interest of SHELL in and to the hereinafter described oil, gas and mineral lease, as to the lands hereinafter described and located in Calcasieu and Jefferson Davis Parishes, Louisiana, in so far and only in so far as said lease covers and includes the gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from a "gas well," as hereinafter defined, excepting and reserving all gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from an "oil well," as hereinafter defined, said lease being described as follows, to wit:

Oil, gas and mineral lease, dated May 19, 1938, recorded in the Conveyance Record No. 309, at page 166, of the Conveyance Records of Calcasieu Parish, Louisiana, and in Conveyance Record No. 78, at page 570, of the Conveyance Records of Jefferson Davis Parish, Louisiana, between

Handwritten notes:
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10/1/86
Gulf Refining Co

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Calcasieu National Bank in Lake Charles et al, as lessors, and Shell Petroleum Corporation (now called Shell Oil Company, Incorporated), as lessee, in so far as said lease covers the following described lands situated in Calcasieu and Jefferson Davis Parishes, Louisiana, to wit:

Acres

Township 11 South, Range 5 West

Section 17: NW-1/4 SW-1/4	40
Section 18: NW-1/4 SE-1/4	40
Section 19: N-1/2 NE-1/4	80
W-1/2 NW-1/4 NW-1/4	20
Section 20: NW-1/4 NW-1/4	40

Township 11 South, Range 6 West

Section 24: E-1/2 NE-1/4 NE-1/4	20
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Total .. 240 acres,
more or less.

There are expressly reserved unto SHELL, its successors and assigns, out of this transfer and sublease, the following:

(a) An overriding royalty of 1/24 of all (8/8) of the distillate, condensate and other liquid hydrocarbons in and under and which may be produced from gas wells, as the term "gas well" is hereinafter defined, located on the hereinabove described land, all free of cost of drilling for, producing, treating and separating same.

(b) An overriding royalty of 1/24 of the market value at the well or wells of all (8/8) of the gas produced from gas wells, as the term "gas well" is hereinafter defined, located on the above described land and sold or



used off said land, all free of cost of drilling for, producing, treating and separating same.

(c) Such rights of way and easements granted in said lease as may be necessary or useful to SHELL, its successors and assigns, in operating upon the above described land for the production of oil therefrom, subject to the equal and same right in SUBLESSEE to the use of such rights of way and easements in operating upon said premises for the production of gas therefrom.

It is agreed that any classification as an "oil well" or as a "gas well" which may from time to time be assigned by the Department of Conservation of the State of Louisiana to any well drilled on the above described land shall be binding and conclusive upon the parties hereto, and any well so classified as an "oil well" shall, during the time that same is so classified, be defined as an "oil well" for the purposes of this instrument, and any well so classified as a "gas well" shall, during the time that same is so classified, be defined as a "gas well" for the purposes of this instrument. In the absence of any such classification by said Department of Conservation at any time, an "oil well" shall be defined as any well producing hydrocarbon fluids from a subsurface formation and a portion or all of which said fluids occur under existing reservoir conditions as a liquid in the subsurface formation from which produced, and from which well hydrocarbon liquids are produced with a ratio

not exceeding 20,000 cubic feet of gas per barrel, and a "gas well" shall be defined as any well producing hydrocarbon fluids and/or gas which is not an oil well, as above defined.

SUBLESSEE hereby assumes and agrees to comply with all of the express and implied covenants and obligations contained in the above described lease in so far as said lease covers the above described tracts of land and affects the estate hereby subleased.

II.

WHEREAS, SUBLESSEE is the owner of oil, gas and mineral leases and/or co-lessors' agreements or other similar contracts which cover, affect and apply to all, more than, or part of the following described land, situated in the Parishes of Calcasieu and Jefferson Davis, State of Louisiana, to-wit:

East Half (E-1/2) of East Half (E-1/2) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing 160 acres, more or less;

All of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, save and except the Northwest Quarter (NW-1/4) of the Southeast Quarter (SE-1/4) thereof, containing 600 acres, more or less;

Northwest Quarter (NW-1/4) of Northwest Quarter (NW-1/4), Southwest Quarter (SW-1/4) of Northwest Quarter (NW-1/4) and Southwest Quarter (SW-1/4) of Southwest Quarter (SW-1/4) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, containing 120 acres, more or less;

West Half (W-1/2) of Northeast Quarter (NE-1/4) of Northeast Quarter (NE-1/4) of

Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, containing 20 acres, more or less;

North Two Hundred Forty (240) acres of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West, save and except the North Half (N-1/2) of the Northeast Quarter (NE-1/4) and the West Half (W-1/2) of the Northwest Quarter (NW-1/4) of the Northwest Quarter (NW-1/4) of said Section 19, containing 140 acres, more or less;

containing in the aggregate Ten Hundred and Forty (1040) acres, more or less; said instruments being made a part hereof by reference, as same are filed and/or recorded in the Conveyance Records of Calcasieu and Jefferson Davis Parishes, Louisiana, to-wit:

1. Mineral lease executed by Amoskeag Savings Bank of Manchester, New Hampshire, to Gulf Refining Company, dated July 15, 1940, of record in Vol. 332, page 447, of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 90, page 179 of the Conveyance Records of Jefferson Davis Parish, Louisiana, as amended by instrument dated August 26, 1941, of record in Vol. 339, page 520 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 93, page 424 of the Conveyance Records of Jefferson Davis Parish, Louisiana.

2. Mineral lease executed by Alex Brown and H. P. Morgan to Gulf Refining Company, dated September 16, 1940, of record in Vol. 329, page 472 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 89, page 241 of the Conveyance Records of Jefferson Davis Parish, Louisiana.

3. Mineral lease executed by Charles L. Thompson to Gulf Refining Company, dated September 20, 1940, of record in Vol. 329, page 564 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 89, page 309 of the Conveyance Records of Jefferson Davis Parish, Louisiana.

4. Mineral lease executed by Dr. R. R. Arceneaux and Mrs. Anna S. Arceneaux and Jules O. Daigle to Gulf Refining Company, dated September 16, 1940, of record in Vol. 331, page 13 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 89, page 232 of the Conveyance Records of Jefferson Davis Parish, Louisiana.
5. Mineral lease executed by J. K. Morgan to Gulf Refining Company, dated September 16, 1940, of record in Vol. 329, page 468 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 89, page 236 of the Conveyance Records of Jefferson Davis Parish, Louisiana.
6. Mineral lease executed by Joseph Massart and Investors Corporation, to Gulf Refining Company, dated September 16, 1940, of record in Vol. 331, page 9 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 89, page 227 of the Conveyance Records of Jefferson Davis Parish, Louisiana.
7. Mineral lease executed by Calcasieu National Bank in Lake Charles in Liquidation and Calcasieu Real Estate and Oil Company, to Shell Petroleum Corporation, dated May 19, 1938, of record in Vol. 309, page 166, of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 78, page 570 of the Conveyance Records of Jefferson Davis Parish, Louisiana.
8. Mineral lease executed by LeRoy Lambert and Mrs. Caddie Lambert to J. B. Ferguson, Jr., dated October 15, 1940, of record in Vol. 89, page 359 of the Conveyance Records of Jefferson Davis Parish, Louisiana.
9. Mineral lease executed by Alfonso Atkinson to M. N. Stafford, dated July 25, 1939, of record in Vol. 84, page 551 of the Conveyance Records of Jefferson Davis Parish, Louisiana.
10. Mineral lease executed by Mrs. Effie Hebert to D. H. Bingham, dated April 13, 1940, of record in Vol. 327, page 13 of the Conveyance Records of Calcasieu Parish, Louisiana.

11. Mineral lease executed by Hampton Holland to D. H. Bingham, dated April 13, 1940, of record in Vol. 327, page 10 of the Conveyance Records of Calcasieu Parish, Louisiana.
12. Mineral lease executed by Lena Holland to D. H. Bingham, dated April 13, 1940, of record in Vol. 327, page 7, of the Conveyance Records of Calcasieu Parish, Louisiana.
13. Mineral lease executed by Luther Andrus to D. H. Bingham, dated April 13, 1940, of record in Vol. 327, page 1 of the Conveyance Records of Calcasieu Parish, Louisiana.
14. Mineral lease executed by A. James Bernard to D. H. Bingham, dated April 13, 1940, of record in Vol. 327, page 4 of the Conveyance Records of Calcasieu Parish, Louisiana.
15. Mineral lease executed by Carroll L. Andrus to D. H. Bingham, dated April 5, 1940, of record in Vol. 324, page 348 of the Conveyance Records of Calcasieu Parish, Louisiana.
16. Mineral lease executed by Arthur Holland to D. H. Bingham, dated April 5, 1940, of record in Vol. 324, page 345 of the Conveyance Records of Calcasieu Parish, Louisiana.
17. Mineral lease executed by Arthur Holland to D. H. Bingham, dated March 13, 1940, of record in Vol. 324, page 186 of the Conveyance Records of Calcasieu Parish, Louisiana.
18. Mineral lease executed by W. W. Hawkins to Gulf Refining Company, dated June 14, 1940, of record in Vol. 330, page 227 of the Conveyance Records of Calcasieu Parish, Louisiana.
19. Mineral lease executed by Dudley J. LeBlanc to Gulf Refining Company, dated October 17, 1940, of record in Vol. 331, page 162 of the Conveyance Records of Calcasieu Parish, Louisiana.

20. Mineral lease executed by John S. Naomi to Gulf Refining Company, dated November 6, 1940, of record in Vol. 331, page 271 of the Conveyance Records of Calcasieu Parish, Louisiana.

21. Co-lessor's agreement executed by L. A. Norman; Wesley E. Todd, E. G. King, Mrs. Georgie Woolman Grey and Selma Hetzel to Gulf Refining Company, dated March 24, 1941, of record in Vol. 336, page 159 of the Conveyance Records of Calcasieu Parish, Louisiana.

22. Mineral lease executed by Henri Bendel II, Henry A. Patten and Nathaniel D. Reich, Testamentary Executors of the Estate of Henri W. Bendel, deceased, to Gulf Refining Company, dated July 9, 1942, of record in Vol. 97, page 202 of the Conveyance Records of Jefferson Davis Parish, Louisiana, and in Vol. 349, page 180 of the Conveyance Records of Calcasieu Parish, Louisiana.

23. Mineral lease executed by Isaac B. Bendel to Gulf Refining Company, dated July 9, 1942, of record in Vol. 97, page 197 of the Conveyance Records of Jefferson Davis Parish, Louisiana, and in Vol. 349, page 175 of the Conveyance Records of Calcasieu Parish, Louisiana.

24. Mineral lease executed by United Life and Accident Insurance Company to H. B. Tietje, dated March 22, 1940, of record in Vol. 327, page 44 of the Conveyance Records of Calcasieu Parish, Louisiana.

25. Mineral lease executed by Toliver Andrus to M. R. Hawkins, dated January 11, 1935, of record in Vol. 274, page 120 of the Conveyance Records of Calcasieu Parish, Louisiana.

26. Mineral lease executed by Dr. T. H. Watkins to Gulf Refining Company dated September 18, 1940, recorded in Vol. 329, page 522 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Vol. 89, page 281 of the Conveyance Records of Jefferson Davis Parish, Louisiana.

NOW, THEREFORE, In consideration of the sublease from SHELL to SUBLESSEE set out in Section I above, SUBLESSEE hereby transfers and assigns unto SHELL, its successors and assigns, the following:

(a) An overriding royalty of $1/24$ of all $(8/8)$ of the distillate, condensate and other liquid hydrocarbons in and under and which may be produced under any of the mineral leases and/or co-lessor's agreements listed above in this Section II, from gas wells, as the term gas well is defined in Section I, located on any of the lands hereinabove described in this Section II, all free of cost of drilling for, producing, treating and separating same.

(b) An overriding royalty of $1/24$ of the market value at the well or wells of all $(8/8)$ of the gas produced under any of the mineral leases and/or co-lessor's agreements listed above in this Section II, from gas wells, as the term "gas well" is defined in Section I, located on any of the lands hereinabove described in this Section II, and sold or used off said land, all free of cost of drilling for, producing, treating and separating same.

It is understood that SHELL is the owner of certain overriding royalties in so far as the SW- $1/4$ of the NW- $1/4$ less 2.34 acres in the northeast corner thereof of Section 17, the S- $1/2$ of the SE- $1/4$ of Section 18 and the E- $1/2$ of the NW- $1/4$ of the NW- $1/4$ and the N- $1/2$ of the NE- $1/4$ of the NW- $1/4$ of Section 19, all in Township 11 South, Range 5 West, among other lands, are concerned,

said overriding royalties having been reserved by SHELL in a sublease to Gulf Refining Company dated May 28, 1942, and the overriding royalties herein assigned to SHELL shall be in addition to the overriding royalties reserved by SHELL in said sublease dated May 28, 1942.

III.

The overriding royalties reserved by SHELL in Section I hereof and the overriding royalties assigned to SHELL in Section II hereof shall be covenants running with the leases and lands. SUBLESSEE agrees properly to gauge the production to which SHELL'S overriding royalty is applicable and to furnish the Accounting Department of SHELL at Houston, Texas, with copies of daily gauge reports, stock reports and reports showing the amount of such production used on said lands, delivered to pipe lines, stored or sold therefrom.

If at any time or times, SUBLESSEE obtains an extension or renewal of any existing lease or co-lessor's agreement listed in Sections I and II hereof, or a new lease or co-lessor's agreement, and if such extension, renewal or new lease or co-lessor's agreement is obtained within six months following the expiration of any applicable existing lease or co-lessor's agreement and such extension, renewal or new lease or co-lessor's agreement covers all or any portion of the lands described in Sections I and II hereof, then the overriding royalties

reserved by SHELL in Section I and the overriding royalties assigned to SHELL in Section II shall likewise apply to and be owned by SHELL under any such extended, renewed or new lease or co-lessor's agreement, and all other rights reserved by SHELL in Section I, including all gas and distillate, condensate, natural gasoline and other liquid hydrocarbons produced from oil wells, as said term is hereinbefore defined, shall likewise apply to and be owned by SHELL under any such extended, renewed or new lease or co-lessor's agreement insofar as same covers the lands described in Section I, and SUBLESSEE shall execute appropriate assignment or assignments to SHELL without cost to SHELL.

If the interest of the lessor in the lease mentioned in Section I hereof, the Calcasieu National Bank in Lake Charles et al, in and to the land described in Section I, is less than the whole and undivided fee, then the overriding royalties herein reserved by and assigned to SHELL shall be proportionately decreased as to all the lands described in Sections I and II hereof. Likewise, if title to the leasehold estate should fail in whole or in part as to the land described in Section I, the overriding royalties herein reserved by and assigned to SHELL shall be proportionately decreased.

The respective rights of the parties hereto as to ownership of "oil wells" and "gas wells" are set forth and defined in a separate agreement of even date herewith and to which reference is made.

The terms and provisions hereof shall extend to and be binding upon the parties hereto, their respective successors and assigns.

In evidence of all of which, witness the execution of this instrument by the parties hereto on the 3^d

day of August, 1943.

WITNESSES:

Kent Ridley Jr.
A. E. Edgerton

SHELL OIL COMPANY, Incorporated

By A. E. Jago
Attorney in Fact

WITNESSES:

Jamesa Daniel

GULF REFINING COMPANY

By T. B. Garrett
Vice President

ATTEST:

L. E. Delcize
Assistant Secretary
L. E. DELCIZE

APPROVED AS TO FORM
DATE 8-9 1943
4.29
Attorney

STATE OF TEXAS }
COUNTY OF HARRIS }

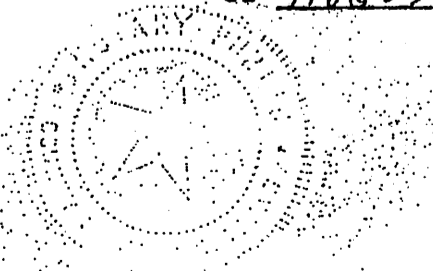
Before me, the undersigned authority, on this day personally appeared KENT RIDLEY JR., known to me to be the person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

That he personally knows A. E. JAGO and that he saw the said A. E. Jago sign and execute the foregoing instrument as Attorney in Fact for and as the free act and deed of Shell Oil Company, Incorporated, and that he, the said KENT RIDLEY JR., subscribed his name to the same at the same time as an attesting witness, along with A. E. EDGERTON, the other subscribing witness.

Kent Ridley Jr.
Affiant

Sworn to and subscribed before me this 3 day of AUGUST, 1943.

W. Brandon
Notary Public in and for
Harris County, Texas



STATE OF TEXAS)
)
COUNTY OF HARRIS)

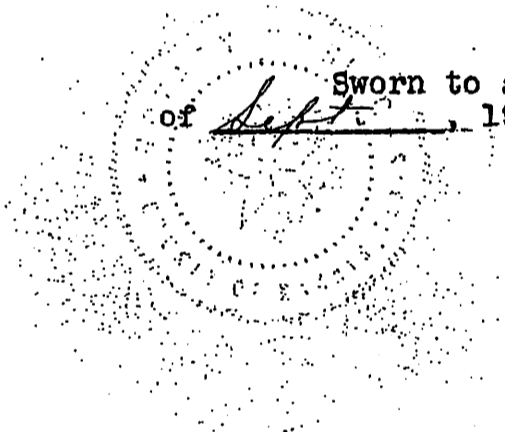
Before me, the undersigned authority, on this day personally appeared J. B. Victory, known to me to be the person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

That he personally knows L. P. Garrett, and that he saw the said L. P. Garrett sign and execute the foregoing instrument as Vice President for and as the free act and deed of Gulf Refining Company, and that he, the said J. B. Victory, subscribed his name to the same at the same time as an attesting witness, along with Jas. A. Branch, the other subscribing witness.

J. B. Victory
Affiant

Sworn to and subscribed before me this 3^d day of Sept., 1943.

Janie Parker Janie Parker
Notary Public in and for
Harris County, Texas



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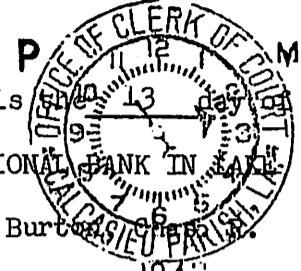
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CONVEYANCE



AMENDMENT TO LEASE

THIS AGREEMENT made and entered into on this September, 1943, by and between CALCASIEU NATIONAL BANK IN LIQUIDATION, herein represented by Wm. T. Burt Houssiere and Terrell Woosley, duly appointed, qualified and acting Liquidating Trustees, and the CALCASIEU REAL ESTATE & OIL COMPANY, INC., herein represented by S. Arthur Knapp, its President, duly authorized by resolution of its Board of Directors, herein called "Lessors", the GULF REFINING COMPANY, a Delaware Corporation, herein represented by L. P. Garrett, its duly authorized Vice-President and hereinafter called "Gulf" and Shell Oil Company, Inc. (formerly named Shell Petroleum Corporation) a Virginia Corporation herein represented by A. E. Jago, its attorney in fact and hereinafter called "Shell".

WITNESSETH:

WHEREAS, on the 19th day of May, 1938, the Lessors entered into an oil, gas and mineral lease (hereinafter referred to as Shell lease) with the Shell Petroleum Corporation covering certain lands in the Parishes of Calcasieu and Jefferson Davis, in the State of Louisiana, which said instrument is recorded in Calcasieu Parish in Conveyance Book #309, pages 166 et seq., and in the Conveyance Records of Jefferson Davis Parish, in Conveyance Book #78 at page 570 et seq., which land is fully described in said above described instrument.

WHEREAS, Shell has sublet to Gulf portions of the said premises covered by the above described lease as to all minerals and has sublet to Gulf the balance of the leased premises as to gas and distillate only.

WHEREAS, Gulf represents that it is the owner of certain other oil, gas and mineral leases, covering and affecting certain other properties in the immediate vicinity of the properties covered and affected by the Shell lease; and that it desires to henceforward operate certain of those

said leases together with the Shell lease, insofar as the latter covers and affects a portion of the property covered thereby, as a unit.

WHEREAS, Lessors are agreeable that a portion of the property covered and affected by the Shell lease, be included in said unitized operation, upon the terms and conditions and for the considerations hereinafter set out,

NOW, THEREFORE, the parties hereto agree that beginning with the date of this instrument the Shell lease be and the same is hereby amended, in the following particulars, to-wit:

I.

Insofar as said lease covers and affects the following described property, aggregating 397.66 acres, to-wit:

SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 17-11-5, Calcasieu Parish, less and except the following: Beginning at the NE corner of said SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of said Section 17, thence South 330 feet, thence West 310 feet, thence North 330 feet, thence East 310 feet to point of beginning, and containing 2.34 acres of land.

NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 17-11-5, Calcasieu Parish.

NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 20-11-5, Jefferson Davis Parish.

N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 19-11-5, Jefferson Davis Parish.

SE $\frac{1}{4}$ of SE $\frac{1}{4}$; W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 18-11-5, Calcasieu Parish.

NW $\frac{1}{4}$ of NW $\frac{1}{4}$; N $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 19-11-5; Also, E $\frac{1}{2}$ of NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 24-11-6, Jefferson Davis Parish,

it may be operated as a unit upon the terms and conditions hereinafter set out with certain other acreage now under lease to Gulf, which said unit shall be known as "first unit" and shall consist of the following described property, aggregating 1,280 acres, to-wit:

East Half (E $\frac{1}{2}$) of East Half (E $\frac{1}{2}$) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing 160 acres, more or less;

All of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, containing 640 acres, more or less;

West Half (W $\frac{1}{2}$) of West Half (W $\frac{1}{2}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, containing 160 acres, more or less;

Northeast Quarter (NE $\frac{1}{4}$) of Northeast Quarter (NE $\frac{1}{4}$) of Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, containing 40 acres, more or less;

Northwest Quarter (NW $\frac{1}{4}$) of Northwest Quarter (NW $\frac{1}{4}$) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West, containing 40 acres, more or less;

North Two Hundred Forty (240) Acres of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West,

II.

This amendment to permit Gulf to unitize shall be applicable only to the production of gas and distillate and to their by-products. In respect to the production of all other minerals on the above described 397.66 acres the terms and conditions of the Shell lease as originally written shall apply.

III.

For the restricted purpose of the production of gas and distillate and their by-products the 397.66 acres hereinabove described shall be combined and operated as a unit with the remainder of the 1,280 acres above described and in lieu of the royalties on gas and distillate, and their by-products provided for in the Shell lease, Lessors shall receive from the production from the unit such proportion thereof as their present royalty on the 397.66 acres bears to the total royalty on the 1,280 acres contained in said unit.

IV.

It is understood by the parties hereto that because of certain restrictions placed upon the production of gas and distillate and their by-products by regulatory bodies of the State of Louisiana and the United States of America, it is not permissible at the present time to drill or produce from more than one well on each unit of 640 acres contained in the aforesaid "first unit".

It is agreed however that should the present restrictions of the aforesaid regulatory bodies be relaxed so as to reduce the size of a unit upon which a well can be drilled or from which gas and distillate and their by-products can be produced, then and in that event Gulf will drill

upon the acreage contained in the aforesaid "first unit" the maximum number of wells as may be permitted by such amended regulations.

Should Gulf fail to drill such additional wells, the unitization agreement above referred to shall terminate except as to that portion of the acreage upon which there has been conducted maximum drilling operations and thereupon all of the acreage included in said "first unit" not having been drilled to a maximum as then permitted by said regulatory bodies shall, ipso facto be released from all effects of this agreement and the effects of said "Shell" lease.

V.

Subject to the above and foregoing conditions and restrictions, the said "first unit" shall be operated in accordance with the terms and conditions of that certain pooling and unitization agreement entered into between Gulf and various other parties, a counterpart of which is recorded in the records of Calcasieu Parish in Book 355, at page 134, thereof and the terms of said lease and the obligations of the lessee thereunder are amended to the extent necessary to comply with the terms of said pooling and unitization agreement.

VI.

As to the remaining property covered and affected by the Shell lease, which said property aggregates 1,171.90 acres and is more fully described as follows, to-wit:

$E\frac{1}{2}$ of $SW\frac{1}{4}$ and $SE\frac{1}{4}$ of $NW\frac{1}{4}$ of Sec. 17-11-5, Calcasieu Parish.

$SW\frac{1}{4}$ of $SW\frac{1}{4}$ of Sec. 16-11-5, Calcasieu Parish.

$NE\frac{1}{4}$ of $NW\frac{1}{4}$ and $W\frac{1}{2}$ of $NE\frac{1}{4}$ and $SE\frac{1}{4}$ of $NE\frac{1}{4}$ of Sec. 20-11-5, Jefferson Davis Parish.

East 10 acres of $NE\frac{1}{4}$ of $SE\frac{1}{4}$ and East 10 acres of $SW\frac{1}{4}$ of $SE\frac{1}{4}$ and $SE\frac{1}{4}$ of $SE\frac{1}{4}$ of Sec. 17-11-5, Calcasieu Parish.

$NE\frac{1}{4}$ of $NE\frac{1}{4}$ and $N\frac{1}{2}$ of $S\frac{1}{2}$ of Section 20; $NW\frac{1}{4}$ of $NE\frac{1}{4}$ and $NW\frac{1}{4}$ of Sec. 21-11-5, Jefferson Davis Parish.

$N\frac{1}{2}$ of $NW\frac{1}{4}$ of $SW\frac{1}{4}$ and $NE\frac{1}{4}$ of $SW\frac{1}{4}$ of Sec. 21-11-5, Jefferson Davis Parish.

SE $\frac{1}{4}$ of SW $\frac{1}{4}$; East 30 acres of SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec. 12; NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 13-11-6, Calcasieu Parish.

S $\frac{1}{8}$ of SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 5-11-5, Calcasieu Parish.

NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 12; NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Sec. 11, and an undivided 1/2 interest in SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 11-11-6, Calcasieu Parish.

N $\frac{1}{8}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ and SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 8-11-5, Calcasieu Parish.

Commencing at the NW corner of SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec. 21-11-5, thence East along the North side of said 40 acres to the NE corner of said 40 acres, thence South along the East line of said 40 acres a distance of 430 feet, more or less, to gravel road, thence in Northwesterly direction along the gravel road to a point on the West line of said 40 acres, which point is 50 feet, more or less, South of the point of beginning, thence North to the point of beginning, comprising a total of eight acres, more or less, Jefferson Davis Parish.

W $\frac{1}{2}$ of SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 2-11-6, Calcasieu Parish. Also, commencing at the NW corner of Northwest Quarter of Southeast Quarter of Sec. 1-11-6, thence East 701.2 feet, thence South 931.8 feet, thence West 701.2 feet, thence North 931.8 feet to the point of commencement, containing Fourteen acres, more or less, in Calcasieu Parish,

the primary term of the Shell lease is extended from the 13th day of September, 1943 for a period of three (3) years and as long thereafter as either oil, gas, sulphur or other minerals is produced from said property in paying quantities.

VII.

The consideration for this amendment to said original lease shall be the sum of \$5.00 per acre for 1,171.90 acres, or the total of \$5,859.50, receipt of which is hereby acknowledged and which payment shall continue the lease on the 1,171.90 acres described hereinabove in full force and effect until September 13, 1, 1944.

VIII.

If operations for drilling a well or excavating a mine be not commenced on said 1,171.90 acres on or before one year from this date, this lease shall terminate as to the above described 1,171.90 acres unless Gulf or Shell on or before that date shall pay or tender by check or draft of Gulf or Shell to Lessors, or to Lessors' credit in the Calcasieu-Marine

National Bank at Lake Charles, Louisiana, or its successors, who shall continue as the depository regardless of the changes in ownership of said land, the sum of \$5.00 per acre, or a total of \$5,859.50, which shall operate as rental and cover the privilege of deferring of commencement of drilling operations for the drilling of a well or excavating a mine for twelve months from said date. In a like manner and upon like payments or tenders the commencement of operations may be further deferred for like periods of the same number of months successively during the primary term.

It is also understood and agreed that the consideration recited hereinabove covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also, Gulf's or Shell's option of extending that period as aforesaid, and any and all other rights conferred.

IX.

It is agreed and understood that the operations on the above described 397.66 acres, or the unit of which it is a part shall in no manner affect Gulf's or Shell's obligation to pay rentals and/or commence and diligently prosecute operations on the 1,171.90 acres above described, and that failure of Gulf or Shell to pay said rental as to said 1,171.90 acres or to commence operations thereon shall ipso facto terminate this lease as to said 1,171.90 acres.

X.

Except as hereby supplemented and amended the Shell lease shall be and remain in full force and effect according to all its terms and conditions.

THUS DONE AND SIGNED by the Calcasieu National Bank in Lake Charles, in Liquidation, and the Calcasieu Real Estate & Oil Company, Inc., at Lake Charles, Louisiana, as of the day and date first hereinabove written.

And this amendment to the lease is executed by Gulf Refining Company and Shell Oil Company, Inc., in the presence of the undersigned

competent attesting witnesses as of the day and date first hereinabove written.

WITNESSES:

PA Willard
EA Ziqueby

CALCASIEU NATIONAL BANK IN LAKE CHARLES, IN LIQUIDATION

By W. T. Austin
Trustee

By Chas. R. Lusnier
Trustee

By J. [unclear]
Trustee

CALCASIEU REAL ESTATE & OIL COMPANY, INC.

By [Signature]
President

THUS DONE AND SIGNED by Gulf Refining Company at Houston,

Texas, as of the day and date hereinabove written.

WITNESSES:

J. E. Hall
F. E. Yuen

GULF REFINING COMPANY

By T. S. Garrett

THUS DONE AND SIGNED by Shell Oil Company, Inc., at HOUSTON,

Texas, as of the day and date hereinabove written.

WITNESSES:

Kent Sidley, Jr.
A. E. Edgerton

SHELL OIL COMPANY, INCORPORATED

By A. S. [unclear]
Attorney in Fact

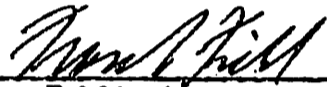
STATE OF LOUISIANA :

PARISH OF CALCASIEU :

BEFORE ME, the undersigned authority, on this day personally appeared Wm. T. Burton, Charles R. Houssiere and Terrell Woodsley, known to me to be the persons whose names are subscribed to the foregoing instrument as Trustees of the Calcasieu National Bank in Lake Charles, in Liquidation, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of Calcasieu National Bank in Lake Charles, in Liquidation.

Given under my hand and seal of office this 13th day of

September, 1943.



Notary Public in
and for Calcasieu Parish,
Louisiana.

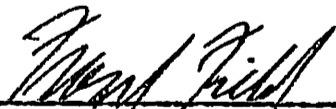
STATE OF LOUISIANA :

PARISH OF CALCASIEU :

BEFORE ME, the undersigned authority, on this day personally appeared S. ARTHUR KNAPP, known to me to be the person whose name is subscribed to the foregoing instrument as President of the Calcasieu Real Estate & Oil Company, Inc., and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of Calcasieu Real Estate & Oil Company, Inc.

Given under my hand and seal of office this 13th day of

September, 1943.



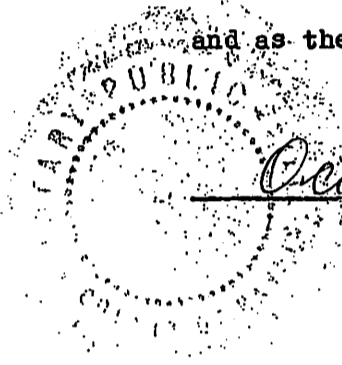
Notary Public
in and for Calcasieu Parish,
Louisiana.

STATE OF TEXAS :

COUNTY OF Harris :

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

Given under my hand and seal of office this 4th day of October, 1943.



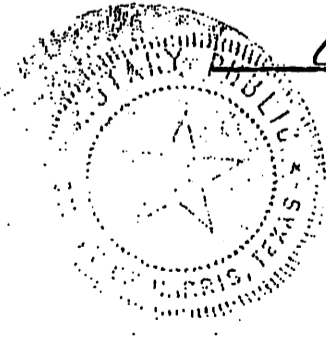
Maybel Bryant Maybel Bryant
Notary Public in and for
Harris County,
Texas.

STATE OF TEXAS :

COUNTY OF HARRIS :

BEFORE ME, the undersigned authority, on this day personally appeared A. E. Jago known to me to be the person whose name is subscribed to the foregoing instrument as attorney in fact for Shell Oil Company, Inc., and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Shell Oil Company, Incorporated.

Given under my hand and seal of office this 22 day of OCTOBER, 1943.



W. C. Drandau
Notary Public in and for HARRIS
County, Texas.

W. C. DRANDAU
Notary Public Harris County, Texas

EXTRACT from the Minutes of a Special Meeting of the Board of Directors of the Calcasieu Real Estate & Oil Co., Inc., held in its office in Lake Charles, Louisiana, on Tuesday, September 7, 1943.

* * * * *

"WHEREAS, this Corporation did on the 19th day of May 1938, join with the Trustees of the Calcasieu National Bank in Lake Charles, in Liquidation, in leasing certain lands in the Parishes of Calcasieu and Jefferson Davis, in the State of Louisiana, to Shell Petroleum Corporation, as is shown in Conveyance Record Book 309, at page 166 of the records of Calcasieu Parish, Louisiana, and Book 78, at page 570 of the Records of Jefferson Davis Parish, Louisiana, and

WHEREAS, Shell Petroleum Corporation has sub-let to the Gulf Refining Company certain portions of said lease, and

WHEREAS, it is believed to be very desirable for this Corporation to amend said lease and place a portion of said lands in a unitization block of one thousand two hundred eighty (1280) acres and also to amend said original lease by amending the primary term on the balance of the property and providing for other changes in said lease.

NOW, THEREFORE, BE IT RESOLVED that S. Arthur Knapp, President of this Corporation be and he is hereby authorized, empowered and instructed to join with the Trustees of the Calcasieu National Bank in Lake Charles, in Liquidation, in the signing of an amendment to the above described oil, gas, and mineral lease, to carry out all of the provisions as enumerated above and given full power and authority to sign said act covering these and all other amendments to the lease which he may deem to the interests of this Corporation, giving and granting said S. Arthur Knapp, President, full power to sign, execute and deliver the amendment or amendments to said lease and to receipt and receive any and all payments for said amended lease or which may hereafter become due on said amended lease and also, to sign, execute and deliver any and all Division Orders, Agreements or other documents, and to receive and receipt for all and everything of every nature in connection with the signing, executing and delivering of said amendment and the carrying out of all of its provisions."

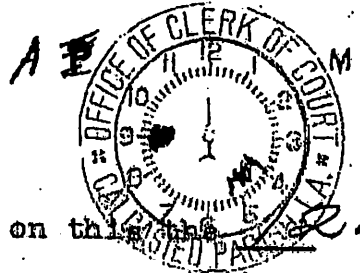
* * * * *

I HEREBY CERTIFY that the above and foregoing is a true and correct Extract from the Minutes of said Meeting held on Tuesday, September 7th, 1943.


Secretary

30326

AMENDMENT TO LEASE



THIS AGREEMENT made and entered into on this 27th day of November, 1943, by and between Alfonso Atkinson, hereinafter called "Lessor", and Gulf Refining Company, a Delaware corporation, herein represented by L. P. Garrett, its duly authorized Vice-President, hereinafter called "GULF",

W I T N E S S E T H:

CONVEYANCE

WHEREAS, on the 25th day of July, 1939, Lessor entered into an oil, gas and mineral lease (hereinafter referred to as "Atkinson lease") with M. N. Stafford covering certain land in Jefferson Davis Parish, Louisiana, which said instrument is recorded in Conveyance Record No. 84, page 551, File No. 119962, Records of Jefferson Davis Parish, Louisiana, which land is fully described in said above described instrument and which lease is now owned and held by Gulf;

WHEREAS, Gulf represents that it is the owner of certain other oil, gas and mineral leases covering and affecting certain other properties in the immediate vicinity of the properties covered and affected by the Atkinson lease; and that it desires to henceforth operate certain of these said leases together with the Atkinson lease, in so far as the latter covers and affects a portion of the property covered thereby, as a unit;

WHEREAS, Lessor is agreeable that a portion of the property covered and affected by the Atkinson lease be included in said unitized operation upon the terms and conditions and for the considerations hereinafter set out;

NOW, THEREFORE, the parties hereto do hereby amend the Atkinson lease in the following particulars, to-wit:

Handwritten notes on the right margin:
3 25
L.P. Garrett
Alfonso Atkinson
Gulf Refining Co.
(Gulf Refining Co.)
L.P. Garrett

I.

Subject to the other provisions of this instrument, that part of the Atkinson lease described as follows, to-wit:

The North half of the South half of the North half ($N\frac{1}{2}$ of $S\frac{1}{2}$ of $N\frac{1}{2}$) and the South half of the Northeast quarter of the Northwest quarter ($S\frac{1}{2}$ of $NE\frac{1}{4}$ of $NW\frac{1}{4}$) of Section 19, Township 11 South, Range 5 West, containing 100 acres, in Jefferson Davis Parish, Louisiana,

is hereby pooled and unitized with the following described acreage situated in Calcasieu and Jefferson Davis Parishes, Louisiana, and now under lease to Gulf to form a unit of 1280 acres, hereinafter called "First Unit", to-wit:

East half of East half ($E\frac{1}{2}$ of $E\frac{1}{2}$) of Section 13, Township 11 South, Range 6 West, containing 160 acres, more or less,

All of Section 18, Township 11 South, Range 5 West, containing 840 acres, more or less,

West half of West half ($W\frac{1}{2}$ of $W\frac{1}{2}$) of Section 17, Township 11 South, Range 5 West, containing 160 acres, more or less,

Northeast quarter of Northeast quarter ($NE\frac{1}{4}$ of $NE\frac{1}{4}$) of Section 24, Township 11 South, Range 6 West, containing 40 acres, more or less,

Northwest quarter of Northwest quarter ($NW\frac{1}{4}$ of $NW\frac{1}{4}$) of Section 20, Township 11 South, Range 5 West, containing 40 acres, more or less, and

North 240 acres of Section 19, Township 11 South, Range 5 West,

II.

The above described 100 acres of the Atkinson lease is pooled and unitized with the above described acreage only in respect to gas, distillate and their by-products, and in respect to all other minerals, the terms and conditions of the Atkinson lease as originally written shall apply.

III.

In lieu of the royalties on gas and distillate and their by-products provided for in the Atkinson lease, Lessor shall receive from the production from the wells

located on First Unit 100/1280ths part of the royalties on gas and distillate and their by-products provided for in the Atkinson lease.

IV.

It is understood by the parties hereto that because of certain restrictions placed upon the production of gas and distillate and their by-products by regulatory bodies of the State of Louisiana and the United States of America, it is not permissible at the present time to drill or produce from more than one well on each unit of 640 acres contained in the aforesaid First Unit.

It is agreed, however, that should the present restrictions of the aforesaid regulatory bodies be relaxed so as to reduce the size of a unit upon which a well can be drilled or from which gas and distillate and their by-products can be produced, then and in that event Gulf will drill upon the acreage contained in the aforesaid First Unit the maximum number of wells as may be permitted by such amended regulations.

Should Gulf fail to drill such additional wells the unitization agreement above referred to shall terminate except as to that portion of the acreage upon which there has been conducted maximum drilling operations and thereupon all of the acreage included in said First Unit not having been drilled to a maximum as then permitted by said regulatory bodies, shall ipso facto be released from all effects of this agreement and the effect of said Atkinson lease.

V.

Subject to the above and foregoing conditions and restrictions, said First Unit shall be operated in accordance with the terms and conditions of that certain pooling and unitization agreement entered into between Gulf and various

other parties, a counterpart of which is recorded in the Records of Jefferson Davis Parish, Louisiana, in Book 101, page 78 thereof, and the terms of said lease and the obligations of the lessee thereunder are hereby amended to the extent necessary to conform with the terms of said pooling and unitization agreement.

VI.

As to the remaining property covered and affected by the Atkinson lease, which said property aggregates 240 acres and is more fully described as follows, to-wit:

The South half of the South half of the North half ($\frac{1}{2}$ of $\frac{1}{2}$ of $\frac{1}{2}$) and the Southwest quarter ($\frac{1}{4}$) of Section 19, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana,

the primary term of the Atkinson lease is hereby extended from the 25th day of October, 1944, for a period of two (2) years.

VII.

The consideration for this amendment to said original lease is the sum of Ten Dollars (\$10.00), receipt of which is hereby acknowledged, and the covenants and agreements contained herein and in said original lease.

VIII.

If operations for drilling a well or excavating a mine be not commenced on the above described 240 acres on or before October 25, 1944, this lease shall terminate as to said 240 acres unless Gulf on or before that date shall pay or tender by a check or draft of Gulf to Lessor, or to Lessor's credit in the Lake Charles Bank & Trust Company, Lake Charles, Louisiana, or its successors, which shall continue as the depository regardless of the changes in ownership of said land, the sum of Five Dollars (\$5.00) per acre, or a total of Twelve Hundred Dollars (\$1200.00) which shall operate as rental and cover the privilege of deferring of commencement of drilling operations for the drilling of a well or excavating

a mine for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of operations may be further deferred for like periods of the same number of months successively during the primary term.

It is also understood and agreed that the consideration recited hereinabove covers all rights, options and privileges herein conferred.

IX.

It is agreed and understood that operations on any part of said First Unit shall in no manner affect Gulf's obligations to pay rentals and/or commence and diligently prosecute operations on the 240 acres above described, in the event Gulf elects to maintain said lease in force as to said 240 acres, and that the failure of Gulf to pay said rental as to said 240 acres or to commence operations thereon, as herein provided, shall ipso facto terminate the Atkinson lease as to said 240 acres.

X.

Except as hereby supplemented and amended, the Atkinson lease shall be and remain in full force and effect according to all its terms and conditions.

THUS DONE AND SIGNED by the parties hereto, as of the day and date first hereinabove written.

WITNESSES:

Sammy
Mamie Jones

Alfonso Atkinson
Alfonso Atkinson

James A. Francis

GULF REFINING COMPANY,
By *T. P. Garrett*
Vice-President.

STATE OF LOUISIANA,
PARISH OF CALCASIEU

) Jose Charles

BEFORE ME, the undersigned authority, on this day personally appeared J. A. Mayo, who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Alfonso Atkinson in his presence and in the presence of Mamie Jones, the other subscribing witness.

J. A. Mayo

day of November, 1943, SWORN TO and subscribed before me, this the 12th

J. A. Mayo
Notary Public in and for
Calcasieu Parish, Louisiana.

NOT COMPLETED
Expires August 6, 1944

STATE OF TEXAS,)
COUNTY OF HARRIS,)

BEFORE ME, the undersigned authority, on this day personally appeared J. B. Victory, who being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Gulf Refining Company, acting by and through L. P. Garrett, its Vice-President, in his presence and in the presence of James A. Branch, the other subscribing witness.

J. B. Victory

day of November, 1943, SWORN TO and subscribed before me, this the 16th

Maybel Bryant Maybel Bryant
Notary Public in and for
Harris County, Texas.

W D 10 113
sent to take copies for this 3 of Harris County, Texas.
in witness whereof witness my official signature and
of Cambridge here (P)
was this day given and compared in my office in Book 3 P 3
I hereby certify that the within Document

THE STATE OF LOUISIANA
Office of Clerk of Court for Judicial District

517523

Rec'd 3

4.50

43363

STATE OF LOUISIANA

KNOW ALL MEN BY THESE PRESENTS:

Parish of Calcasieu

THAT Margaret Andrus, joined by her

first and only husband, Morgan Andrus with whom she now resides

hereinafter called "Lessor" (whether one or more) hereby grants to Gulf Refining Company

hereinafter called "Lessee" the exclusive right to explore the land hereinafter described for mineral indications, to drill and mine thereon for oil, gas, sulphur and other minerals, and to produce and appropriate any or all of same therefrom; the right to use, free of charge, oil, gas and water from the land in conducting operations thereon and in treating to make marketable the products therefrom; the right to construct and use on said land telephone, telegraph and pipe lines and facilities for the transportation and storage of minerals produced therefrom, as well as salt water; the right to construct and use such canals and roads as are necessary for Lessee's operations hereunder; the right to remove from the land at any time any property placed by Lessee thereon, and all rights necessary to the full enjoyment of this lease; all, however, during the term and subject to the conditions hereinafter stated.

The said land is situated in Calcasieu Parish, Louisiana, and is particularly described in Exhibit "A" hereto attached and made a part hereof, or as follows, to-wit:

All of our interest in and to that certain tract of land described as follows:

Beginning at the northeast corner of the southwest quarter (SW/4) of the northwest quarter (NW/4) of Section 17, Township 11 South, Range 5 West, thence South (330') three hundred thirty feet, thence West three hundred ten feet (310'), thence North three hundred thirty feet (330'), thence East three hundred ten feet (310') to place of beginning, and containing two and thirty four one hundredths (2.34) acres, more or less.

For the purpose of calculating the payments hereinafter provided for, the superficial area of the land covered by the above description is estimated to comprise 2 & 34/100 acres.

1. The "primary term" of this lease shall extend from the date of its execution to the close of the last period for which rental, as hereinafter provided, can be paid.

2. This lease shall terminate as to both parties on the 16th day of November, 1945, unless on or before that date Lessee begins operations for the drilling of a well on some part of the land embraced herein, or pays to the Lessor

Ten & No/100 Dollars (\$10.00)

as a rental. If operations for the drilling of a well are begun, such operations shall be prosecuted with reasonable diligence to completion or abandonment in a bona fide effort to find minerals in paying quantities. The payment so made shall have the effect of maintaining Lessee's rights in the land for a period of twelve (12) months from the date above stated, without further payment or operations. In like manner and upon like payments, made on or before the beginning of the next ensuing period, all Lessee's rights hereunder may be maintained without

operations for one or more successive periods of twelve months each, not to exceed, however, four years from the above date. Lessee may at any time execute and deliver to Lessor or to either depository hereinafter named, or place of record, a release or releases covering any portions of the land and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the land surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. Any notice, release, or communication to Lessor may be given to Lessor personally, or by letter addressed to Lessor at Westlake, La. Route 1, Box 102-L

or by letter addressed to one of the Lessors (if there be more than one) in care of either depository hereinafter named; the payments may be made to Lessor personally or by mailing on or before the due date of the payment letter addressed to the

Lake Charles Bank & Trust Company, Lake Charles, La.

Bank of _____, Louisiana, or to South Texas Commercial National Bank, Houston, Texas, (or to the successors of either), hereby named depositories, transmitting Lessee's check with instructions to such bank to deposit same to Lessor's credit; all exchange, collection or other service charges made by said bank or banks on Lessee's checks to be borne by Lessor and to be deducted from the amount of rental provided for herein at the time of payment of same. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as depository to receive such payments or tenders. In the event of the death of Lessor, or of any of the successors in interest of Lessor, an effective payment of the rentals attributable to the interest formerly owned by any such decedent may be made by depositing such rentals in either of the depositories named either in the name of such decedent or to the credit of his estate. If Lessor owns less than the entirety of the mineral rights in the land retained, then the payments herein provided for shall be proportionately reduced.

Gulf Ref. Co. Houston, Texas

3. If prior to the discovery of oil on the land and at a time when Lessee is not actually engaged in drilling operations on the land, a well producing as much as two hundred (200) barrels of oil per day for thirty (30) consecutive days is brought in on adjoining land and within two hundred (200) feet of any outside boundary of the land then held hereunder, Lessee shall, within a reasonable time, begin, and with reasonable diligence, prosecute the drilling of a well on the land then held hereunder in an honest effort to discover oil in paying quantities.

4. After beginning operations on the land, and prior to discovering any mineral in paying quantities thereon, Lessee may maintain Lessee's rights in effect for so long as it pleases, even beyond the primary term, by continuing such operations without lapse of more than sixty (60) days between cessation of operations on one well and the beginning of operations for drilling another; during the primary term of this lease, Lessee may cease such operations and nevertheless maintain Lessee's rights in effect by beginning or resuming the payment of rental on or before the rental date next ensuing after sixty (60) days following such cessation.

5. After discovery of any mineral in paying quantities on the land, all of Lessee's rights shall remain in effect so long as any mineral is produced in paying quantities from the land; and if such production should thereafter cease for any cause, Lessee may maintain all rights hereunder by beginning re-working operations or additional drilling within sixty (60) days after such cessation, or, if such cessation occurs during the primary term hereof, by commencing or resuming the payment of rental on or before the rental date next ensuing after sixty (60) days following such cessation.

6. After the discovery of any mineral in paying quantities, Lessee shall be exempt from loss or forfeiture of this lease in whole or in part, except after final judicial ascertainment that Lessee has failed to perform its duty hereunder, and thereafter Lessee shall have a reasonable opportunity to perform and prevent such loss or forfeiture, and in event of final loss or forfeiture, there shall be reserved to Lessee all producing and drilling wells with forty (40) acres surrounding each well to be designated by Lessee.

7. Lessor shall be entitled to the following royalties: one-eighth (1/8) of the oil produced and saved and not used for fuel in conducting operations on the land or in treating to make marketable the products therefrom; one-eighth (1/8) of any waste oil from the land or coming on to the land from other sources, if utilized; on gas, including casinghead gas or other gaseous substance, produced from said land and sold for purposes other than the manufacture of gasoline, the market value at the well of one-eighth (1/8) of the gas so sold. If such gas is sold for the manufacture of gasoline therefrom, the royalty shall be one-eighth (1/8) of the amount realized from such sale. In the event said gas is used off the lease or in the manufacture of gasoline therefrom by Lessee, the royalty shall be one-eighth (1/8) of the market value of such gas at the well. The royalty for each well producing gas only shall be Two Hundred and No/100 Dollars (\$200.00) each year until such time as the gas from such gas well shall be utilized in the manufacture of gasoline or sold off the land; on sulphur fifty cents (50c) for each long ton marketed; on salt three cents (3c) for each long ton marketed; and a reasonable royalty on any other mineral produced in quantities deemed by Lessee to be paying. These royalties are based upon the ownership of the entirety of the mineral rights by Lessor. If Lessor owns less than such entirety of the mineral rights in any portion of the land from which any mineral may be produced, such royalties shall be paid only in the proportion that Lessor's interest in the mineral rights in such portion bears to the entirety of the mineral rights therein.

8. The oil royalty shall be delivered to Lessor at Lessor's option into storage tanks provided by Lessor at Lessor's expense on the land retained, or into any pipe line connected with the well; if Lessee provides such pipe line, Lessee may purchase such royalty oil at its posted market price for oil of like kind and quality from the same field; if no storage tanks are provided by Lessor and there is no pipe line connected with the well, Lessee shall have the optional right to purchase the royalty oil at the market price at the well, or to sell such oil and to account to Lessor at the market price at the well.

9. Lessee shall bury its pipe lines below plow depth when requested by Lessor. No well shall be drilled nearer than two hundred (200) feet to the house or barn on said land without the written consent of Lessor, and Lessee shall be responsible for all damages caused by Lessee's operations other than damages necessarily caused by the exercise of the rights herein granted.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is hereby expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or the minerals in and under the same or assignment of rentals or royalties shall be binding on Lessee unless Lessee shall have been furnished thirty (30) days before payment hereunder of such rentals or royalties with certified copies of recorded instruments showing the muniments of title; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers any part or parts of said land upon which Lessee or any assignee of Lessee shall make due payment of said rental. If six or more parties become entitled to rentals or royalties hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all of such parties designating an agent to receive payment for all.

11. If by reason of labor troubles at manufacturing plants, or as the result of exercise of rights by governmental authority, Lessee is delayed or hindered in obtaining material or equipment necessary in drilling or completing a well, or if as a result of war, flood, storm, fire, blowout, differences with workmen, requisition or order of governmental authority, Lessee is prevented from commencing or completing the drilling of any well or wells, then in any such event Lessee shall be relieved during the period of such delay or the continuance of such preventing cause from all obligations, either express or implied, in this lease contained to commence or complete the drilling of any well or wells; and Lessee shall not be liable to Lessor in damages for failure to drill any such well during the time Lessee is relieved from the obligation so to do; provided, this paragraph shall not have the effect of altering the condition under which this lease will remain in force beyond its primary term, unless at the time of expiration of the primary term Lessee is prohibited from drilling upon the leased premises by governmental order in which event the primary term shall be extended automatically from year to year until the first anniversary hereof occurring 90 or more days following the cancellation of such governmental order; but inability to commence operations for drilling, and to drill, a well shall not relieve Lessee from the requirement of paying rentals if Lessee desires to continue this lease in force during the primary term or any extension thereof, in absence of production, drilling and reworking operations. In determining whether Lessee has used reasonable diligence wherever required by any obligation of this lease, express or implied, the causes of delay in this paragraph set forth shall not be exclusive of any other cause or causes which may exist. If for any period or periods of time after oil or gas has been discovered on the leased premises same is not produced because Lessee is unable to obtain and install by reason of any cause set forth herein, any equipment or material necessary for handling or transporting such production, then nevertheless during such period or periods of time it shall be considered for the purpose of continuing this lease in effect under the terms hereof that production of oil or gas is being had upon the leased premises.

12. Lessee is hereby given the right to pool or combine the acreage covered by this lease or any parts thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to promote the conservation of oil, gas or other minerals, such pooling to conform to drilling units prescribed by any applicable order of any governmental authority having jurisdiction

ACKNOWLEDGMENT BY LESSOR (INDIVIDUAL)

STATE OF LOUISIANA

PARISH OF _____

BEFORE ME, _____ a Notary Public in and for _____ Parish, Louisiana, on this _____ day of _____, 19____, personally came and appeared _____, who in the presence of me, said authority, and _____ and _____ competent witnesses, declares and acknowledges that he _____ the identical person who executed the within and foregoing instrument, in writing, that _____ signature thereto _____ own true and genuine signature, and that he executed said instrument of _____ own free will, and for the purposes and considerations therein expressed.

Thus done and passed on the day and date hereabove written, in the presence of the before named and undersigned competent witnesses, who have hereunto subscribed their names, together with said appearer, and me, said Notary, after reading the whole.

WITNESSES:

Notary Public.

ACKNOWLEDGMENT BY WITNESS

STATE OF LOUISIANA

Parish of Calcasieu

BEFORE ME, the undersigned Notary Public, on this day personally appeared T. G. Lipscomb who being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the within and foregoing instrument, and that the same was signed by Margaret Andrus and Morgan Andrus

(Lessor, as above mentioned) in his presence and in the presence of K. H. McLaughlin the other subscribing witness.

T. G. Lipscomb
Witness

Sworn to and subscribed before me this 16th day of November, 19 44

J. P. [Signature]
Notary Public in and for Calcasieu Parish, Louisiana

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH OF _____

BEFORE ME, the undersigned authority, this day personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ of _____ and that _____ and that _____ acknowledged said instrument to be the free act and deed of said corporation.

THE STATE OF LOUISIANA, Clerk of Court 14th Judicial District
PARISH OF CALCASIEU
I hereby certify, that the within Document was this day duly recorded in my office, in Book 318 of Conveyances on page 130 at seq. 19

in witness whereof, Witness my official signature and Seal at Lake Charles, La. this _____ day of _____ A. D. 1944
Notary Public in and for _____ Parish, Louisiana

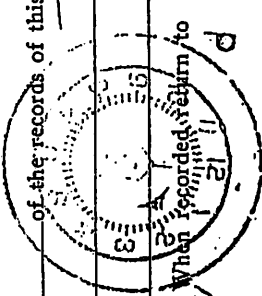
[Signature]
Notary Public in and for _____ Parish, Louisiana

317523
No. 43363

MINERAL LEASE

FROM
Margaret Andrus, et vic
TO
Gulf Refg. Co.
Hayes

Dated _____ 19____
No. Acres _____
Parish, Louisiana _____
Term _____
This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.
By _____ Deputy.
What recorded return to _____



4.50
dy

STATE OF LOUISIANA

KNOW ALL MEN BY THESE PRESENTS:

Parish of Calcasieu

THAT Glenn Andrus, living with his

first and only wife, Eve Gaspard Andrus

~~CONFIDENTIAL~~

hereinafter called "Lessor" (whether one or more) hereby grants to Gulf Refining Company

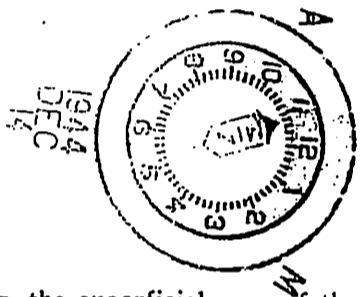
hereinafter called "Lessee" the exclusive right to explore the land hereinafter described for mineral indications, to drill and mine thereon for oil, gas, sulphur and other minerals, and to produce and appropriate any or all of same therefrom; the right to use, free of charge, oil, gas and water from the land in conducting operations thereon and in treating to make marketable the products therefrom; the right to construct and use on said land telephone, telegraph and pipe lines and facilities for the transportation and storage of minerals produced therefrom, as well as salt water; the right to construct and use such canals and roads as are necessary for Lessee's operations hereunder; the right to remove from the land at any time any property placed by Lessee thereon, and all rights necessary to the full enjoyment of this lease; all, however, during the term and subject to the conditions hereinafter stated.

Tex.
Houston

The said land is situated in Calcasieu Parish, Louisiana, and is particularly described in Exhibit "A" hereto attached and made a part hereof, or as follows, to-wit:

All of my interest in and to that certain tract of land described as follows: Beginning at the northeast corner of the Southwest quarter of the Northwest quarter (SW/4 of NW/4) of Section 17, Township 11 South, Range 5 West, thence South 330', thence West 310', thence North 330', thence East 310' to place of beginning, and containing 2.34 acres, less 1 acre out of the North part thereof conveyed by Toliver Andrus to Margaret Andrus by deed recorded in Book 314, Page 637 of the Conveyance Records of Calcasieu Parish, La.

Gulf Refg. Co.



For the purpose of calculating the payments hereinafter provided for, the superficial area of the land covered by the above description is estimated to comprise one & 34/100 (1.34) acres.

1. The "primary term" of this lease shall extend from the date of its execution to the close of the last period for which rental, as hereinafter provided, can be paid.

2. This lease shall terminate as to both parties on the 27th day of November, 1945, unless on or before that date Lessee begins operations for the drilling of a well on some part of the land embraced herein, or pays to the Lessor

One & No/100 Dollars (\$1.00)

as a rental. If operations for the drilling of a well are begun, such operations shall be prosecuted with reasonable diligence to completion or abandonment in a bona fide effort to find minerals in paying quantities. The payment so made shall have the effect of maintaining Lessee's rights in the land for a period of twelve (12) months from the date above stated, without further payment or operations. In like manner and upon like payments, made on or before the beginning of the next ensuing period, all Lessee's rights hereunder may be maintained without

operations for one or more successive periods of twelve months each, not to exceed, however, four years from the above date. Lessee may at any time execute and deliver to Lessor or to either depository hereinafter named, or place of record, a release or releases covering any portions of the land and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the land surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. Any notice, release, or communication to Lessor may be given to Lessor personally, or by letter addressed to Lessor at P. O. Box 113, Hayes La.

or by letter addressed to one of the Lessors (if there be more than one) in care of either depository hereinafter named; the payments may be made to Lessor personally or by mailing on or before the due date of the payment letter addressed to the

Calcasieu Marine National Bank, Lake Charles, La.

Bank of _____, Louisiana, or to South Texas Commercial National Bank, Houston, Texas, (or to the successors of either), hereby named depositories, transmitting Lessee's check with instructions to such bank to deposit same to Lessor's credit; all exchange, collection or other service charges made by said bank or banks on Lessee's checks to be borne by Lessor and to be deducted from the amount of rental provided for herein at the time of payment of same. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as depository to receive such payments or tenders. In the event of the death of Lessor, or of any of the successors in interest of Lessor, an effective payment of the rentals attributable to the interest formerly owned by any such decedent may be made by depositing such rentals in either of the depositories named either in the name of such decedent or to the credit of his estate. If Lessor owns less than the entirety of the mineral rights in the land retained, then the payments herein provided for shall be proportionately reduced.

3. If prior to the discovery of oil on the land and at a time when Lessee is not actually engaged in drilling operations on the land, a well producing as much as two hundred (200) barrels of oil per day for thirty (30) consecutive days is brought in on adjoining land and within two hundred (200) feet of any outside boundary of the land then held hereunder, Lessee shall, within a reasonable time, begin, and with reasonable diligence, prosecute the drilling of a well on the land then held hereunder in an honest effort to discover oil in paying quantities.

4. After beginning operations on the land, and prior to discovering any mineral in paying quantities thereon, Lessee may maintain Lessee's rights in effect for so long as it pleases, even beyond the primary term, by continuing such operations without lapse of more than sixty (60) days between cessation of operations on one well and the beginning of operations for drilling another; during the primary term of this lease, Lessee may cease such operations and nevertheless maintain Lessee's rights in effect by beginning or resuming the payment of rental on or before the rental date next ensuing after sixty (60) days following such cessation.

5. After discovery of any mineral in paying quantities on the land, all of Lessee's rights shall remain in effect so long as any mineral is produced in paying quantities from the land; and if such production should thereafter cease for any cause, Lessee may maintain all rights hereunder by beginning re-working operations or additional drilling within sixty (60) days after such cessation, or, if such cessation occurs during the primary term hereof, by commencing or resuming the payment of rental on or before the rental date next ensuing after sixty (60) days following such cessation.

6. After the discovery of any mineral in paying quantities, Lessee shall be exempt from loss or forfeiture of this lease in whole or in part, except after final judicial ascertainment that Lessee has failed to perform its duty hereunder, and thereafter Lessee shall have a reasonable opportunity to perform and prevent such loss or forfeiture, and in event of final loss or forfeiture, there shall be reserved to Lessee all producing and drilling wells with forty (40) acres surrounding each well to be designated by Lessee.

7. Lessor shall be entitled to the following royalties: one-eighth (1/8) of the oil produced and saved and not used for fuel in conducting operations on the land or in treating to make marketable the products therefrom; one-eighth (1/8) of any waste oil from the land or coming on to the land from other sources, if utilized; on gas, including casinghead gas or other gaseous substance, produced from said land and sold for purposes other than the manufacture of gasoline, the market value at the well of one-eighth (1/8) of the gas so sold. If such gas is sold for the manufacture of gasoline therefrom, the royalty shall be one-eighth (1/8) of the amount realized from such sale. In the event said gas is used off the lease or in the manufacture of gasoline therefrom by Lessee, the royalty shall be one-eighth (1/8) of the market value of such gas at the well. The royalty for each well producing gas only shall be Two Hundred and No/100 Dollars (\$200.00) each year until such time as the gas from such gas well shall be utilized in the manufacture of gasoline or sold off the land; on sulphur fifty cents (50c) for each long ton marketed; on salt three cents (3c) for each long ton marketed; and a reasonable royalty on any other mineral produced in quantities deemed by Lessee to be paying. These royalties are based upon the ownership of the entirety of the mineral rights by Lessor. If Lessor owns less than such entirety of the mineral rights in any portion of the land from which any mineral may be produced, such royalties shall be paid only in the proportion that Lessor's interest in the mineral rights in such portion bears to the entirety of the mineral rights therein.

8. The oil royalty shall be delivered to Lessor at Lessor's option into storage tanks provided by Lessor at Lessor's expense on the land retained, or into any pipe line connected with the well; if Lessee provides such pipe line, Lessee may purchase such royalty oil at its posted market price for oil of like kind and quality from the same field; if no storage tanks are provided by Lessor and there is no pipe line connected with the well, Lessee shall have the optional right to purchase the royalty oil at the market price at the well, or to sell such oil and to account to Lessor at the market price at the well.

9. Lessee shall bury its pipe lines below plow depth when requested by Lessor. No well shall be drilled nearer than two hundred (200) feet to the house or barn on said land without the written consent of Lessor, and Lessee shall be responsible for all damages caused by Lessee's operations other than damages necessarily caused by the exercise of the rights herein granted.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is hereby expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or the minerals in and under the same, or assignment of rentals or royalties shall be binding on Lessee unless Lessee shall have been furnished thirty (30) days before payment hereunder of such rentals or royalties with certified copies of recorded instruments showing the muniments of title; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers any part or parts of said land upon which Lessee or any assignee of Lessee shall make due payment of said rental. If six or more parties become entitled to rentals or royalties hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all of such parties designating an agent to receive payment for all.

11. If by reason of labor troubles at manufacturing plants, or as the result of exercise of rights by governmental authority, Lessee is delayed or hindered in obtaining material or equipment necessary in drilling or completing a well, or if as a result of war, flood, storm, fire, blowout, differences with workmen, requisition or order of governmental authority, Lessee is prevented from commencing or completing the drilling of any well or wells, then in any such event Lessee shall be relieved during the period of such delay or the continuance of such preventing cause from all obligations, either express or implied, in this lease contained to commence or complete the drilling of any well or wells; and Lessee shall not be liable to Lessor in damages for failure to drill any such well during the time Lessee is relieved from the obligation so to do; provided, this paragraph shall not have the effect of altering the condition under which this lease will remain in force beyond its primary term, unless at the time of expiration of the primary term Lessee is prohibited from drilling upon the leased premises by governmental order in which event the primary term shall be extended automatically from year to year until the first anniversary hereof occurring 90 or more days following the cancellation of such governmental order; but inability to commence operations for drilling, and to drill, a well shall not relieve Lessee from the requirement of paying rentals if Lessee desires to continue this lease in force during the primary term or any extension thereof, in absence of production, drilling and reworking operations. In determining whether Lessee has used reasonable diligence wherever required by any obligation of this lease, express or implied, the causes of delay in this paragraph set forth shall not be exclusive of any other cause or causes which may exist. If for any period or periods of time after oil or gas has been discovered on the leased premises same is not produced because Lessee is unable to obtain and install by reason of any cause set forth herein, any equipment or material necessary for handling or transporting such production, then nevertheless during such period or periods of time it shall be considered for the purpose of continuing this lease in effect under the terms hereof that production of oil or gas is being had upon the leased premises.

12. Lessee is hereby given the right to pool or combine the acreage covered by this lease or any parts thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to promote the conservation of oil, gas or other minerals, such pooling to conform to drilling units prescribed by any applicable order of any governmental authority having jurisdiction

of the subject matter, if such order be issued. Lessee shall record in the Conveyance Records of the Parish in which the leased premises are situated, an instrument describing the pooled acreage. Operations for drilling or production on any part of a drilling unit composed in whole or in part of the land above described shall be considered as operations for drilling or production on land covered by this lease and the entire acreage constituting such unit or units shall be treated for all purposes as if the same were included in this lease, except that in lieu of the royalties elsewhere herein specified Lessor shall receive on production from each of such units that proportion of the royalties herein stipulated that the amount of his ownership in the mineral rights in the acreage placed in the particular unit involved bears to the entirety of the mineral rights in such unit.

13. Lessor hereby warrants and agrees to defend the title to said land and to the minerals in and under the same. In the event Lessor's title is disputed by suit or otherwise, Lessee shall have the right to withhold the payment of royalties provided for hereunder until the final determination of any such suit or dispute favorable to Lessor and shall have the right in such event to maintain this contract in force by giving notice to Lessor, or to either depository hereinabove named, of its intention so to withhold such royalties. Lessee shall have the right to acquire or lease the interest of any party in said land and minerals which any such party claims is not covered by this instrument.

14. Lessee shall have the right at any time to discharge in whole or in part any tax, mortgage or other lien upon said land or mineral rights therein, including redemption from tax sale or adjudication and be subrogated to the rights of the holder thereof, and thereafter Lessee shall have the right to retain all rentals and royalties provided for hereunder, or any portion or portions thereof, and apply same towards reimbursement of Lessee for such payments upon giving notice of its intention to so apply such payments to Lessor or to either depository named herein.

Lessor acknowledges receipt of Two & No/100 Dollars

(\$ 2.00), paid by Gulf Refining Company, as the full and adequate consideration for every right granted herein.

IN TESTIMONY WHEREOF, this instrument is signed in the presence of the undersigned competent witnesses, on this 27th day of November, A. D. 19 44.

WITNESSES:

J. J. Pippen
Earl Gaspard Andrus

Glenn Andrus
Glenn Andrus

[Empty lines for additional witnesses and signatures, separated by a large right-facing curly bracket.]

ACKNOWLEDGMENT BY LESSOR (INDIVIDUAL)

STATE OF LOUISIANA

PARISH OF _____

BEFORE ME, _____ a Notary Public in and for _____ Parish, Louisiana, on this _____ day of _____, 19____, personally came and appeared _____, who in the presence of me, said authority, and _____ and _____ competent witnesses, declares and acknowledges that _____ he _____ the identical person _____ who executed the within and foregoing instrument, in writing, that _____ signature _____ thereto _____ own true and genuine signature _____, and that _____ he _____ executed said instrument of _____ own free will _____, and for the purposes and considerations therein expressed.

Thus done and passed on the day and date hereinabove written, in the presence of the before named and undersigned competent witnesses, who have hereunto subscribed their names, together with said appearer _____, and me, said Notary, after reading the whole.

WITNESSES: _____

Notary Public.

ACKNOWLEDGMENT BY WITNESS

STATE OF LOUISIANA

Parish of Calcasieu

BEFORE ME, the undersigned Notary Public, on this day personally appeared T. G. Lipscomb who being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the within and foregoing instrument, and that the same was signed by Glenn Andrus

(Lessor, as above mentioned) in his presence and in the presence of Eve Gaspard Andrus the other subscribing witness.

Sworn to and subscribed before me this 29th day of November, 1944
T. G. Lipscomb Witness
Glenn Andrus
Notary Public in and for Calcasieu Parish, Louisiana

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH OF _____

BEFORE ME, the undersigned authority, this day personally appeared _____ to me personally known, who, being by me duly sworn did say that he is the _____ of _____ and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said _____ paid instrument to be the free act and deed of said corporation.

I hereby certify, that the within Document was this day duly recorded in my office, in Book 329 of Concord on page 193 at sec _____ in witness whereof, Witness my official signature and Seal at Lake Charles, La. this 19 day of Dec. A. D. 1944

318049
No. 13363-A

MINERAL LEASE

FROM
Glenn Andrus
TO
guy Lebrun company

Deputy Clerk of said Court and Ex-Officio Deputy
Dated _____ 19____
No. Acres _____
Term _____
This instrument was filed for record on the _____ day of _____ 19____, at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.
By _____
When recorded return to _____

Records
500
J.D.

STATE OF LOUISIANA

KNOW ALL MEN BY THESE PRESENTS:

25417

Parish of CALCASIEU

THAT Mary Lee Andrus Jurin, Natural Tutrix of the minors, Peggy Louise Andrus and Dolores Ann Andrus, acting for and in behalf of said minors and pursuant to a judgment of the 14th District Court in and for Calcasieu Parish, La. in the matter of the Tutorship of the Minors, Peggy Louise Andrus and Dolores Ann Andrus, dated 19th day of April, 1945.

hereinafter called "Lessor" (whether one or more) hereby grants to GULF REFINING COMPANY

hereinafter called "Lessee" the exclusive right to explore the land hereinafter described for mineral indications, to drill and mine thereon for oil, gas, sulphur and other minerals, and to produce and appropriate any or all of same therefrom; the right to use, free of charge, oil, gas and water from the land in conducting operations thereon and in treating to make marketable the products therefrom; the right to construct and use on said land telephone, telegraph and pipe lines and facilities for the transportation and storage of minerals produced therefrom, as well as salt water; the right to construct and use such canals and roads as are necessary for Lessee's operations hereunder; the right to remove from the land at any time any property placed by Lessee thereon, and all rights necessary to the full enjoyment of this lease; all, however, during the term and subject to the conditions hereinafter stated.

The said land is situated in Calcasieu Parish, Louisiana, and is particularly described in Exhibit "A" hereto attached and made a part hereof, or as follows, to-wit:

"Beginning at the NE corner of the SW 1/4 of NW 1/4 of section 17, Township 11 South, Range 5 West, thence south 330 ft. thence west 310 ft., thence north 330 ft., thence east 310 ft. to place of beginning and containing 2.34 acres, less 1 acre out of the north part thereof, conveyed by Toliver Andrus to Margaret Andrus by deed recorded in Book 314, page 637, of the Conveyance records of Calcasieu Parish, Louisiana, reference to which is made for better description."

Now for Tax

[Handwritten signature]

Ref. Co.

For the purpose of calculating the payments hereinafter provided for, the superficial area of the land covered by the above description is estimated to comprise 1.34 acres.

1. The "primary term" of this lease shall extend from the date of its execution to the close of the last period for which rental, as hereinafter provided, can be paid.

2. This lease shall terminate as to both parties on the 20th day of April, 1946, unless on or before that date Lessee begins operations for the drilling of a well on some part of the land embraced herein, or pays to the Lessor TWO & 50/100

Judg

Dollars (\$ 2.50)

per acre as a rental. If operations for the drilling of a well are begun, such operations shall be prosecuted with reasonable diligence to completion or abandonment in a bona fide effort to find minerals in paying quantities. The payment so made shall have the effect of maintaining Lessee's rights in the land for a period of twelve (12) months from the date above stated, without further payment or operations. In like manner and upon like payments, made on or before the beginning of the next ensuing period, all Lessee's rights hereunder may be maintained without operations for one or more successive periods of twelve months each, not to exceed, however, ~~ten (10)~~ ^{five (5)} years from date hereof. Lessee may at any time execute and deliver to Lessor or to either depository hereinafter named, or place of record, a release or releases covering any portions of the land and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the land surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. Any notice, release, or communication to Lessor may be given to Lessor

personally, or by letter addressed to Lessor at 1607 Avenue L, Galveston, Texas

or by letter addressed to one of the Lessors (if there be more than one) in care of either depository hereinafter named; the payments may be made to Lessor personally or by mailing on or before the due date of the payment letter addressed to the

United States National

Bank of Galveston, Texas, Louisiana, or to the Commercial National Bank in Shreveport, Shreveport, Louisiana, (or to the successors of either), hereby named depositories, transmitting Lessee's check with instructions to such bank to deposit same to Lessor's credit; all exchange, collection or other service charges made by said bank or banks on Lessee's checks to be borne by Lessor and to be deducted from the amount of rental provided for herein at the time of payment of same. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as depository to receive such payments or tenders. In the event of the death of Lessor, or of any of the successors in interest of Lessor, an effective payment of the rentals attributable to the interest formerly owned by any such decedent may be made by depositing such rentals in either of the depositories named either in the name of such decedent or to the credit of his estate. If Lessor owns less than the entirety of the mineral rights in the land retained, then the payments herein provided for shall be proportionately reduced.

3. If prior to the discovery of oil on the land and at a time when Lessee is not actually engaged in drilling operations on the land, a well producing as much as two hundred (200) barrels of oil per day for thirty (30) consecutive days is brought in on adjoining land and within two hundred (200) feet of any outside boundary of the land then held hereunder, Lessee shall, within a reasonable time, begin, and with reasonable diligence, prosecute the drilling of a well on the land then held hereunder in an honest effort to discover oil in paying quantities.

4. After beginning operations on the land, and prior to discovering any mineral in paying quantities thereon, Lessee may maintain Lessee's rights in effect for so long as it pleases, even beyond the primary term, by continuing such operations without lapse of more than sixty (60) days between cessation of operations on one well and the beginning of operations for drilling another; during the primary term of this lease, Lessee may cease such operations and nevertheless maintain Lessee's rights in effect by beginning or resuming the payment of rental on or before the rental date next ensuing after sixty (60) days following such cessation.

5. After discovery of any mineral in paying quantities on the land, all of Lessee's rights shall remain in effect so long as any mineral is produced in paying quantities from the land; and if such production should thereafter cease for any cause, Lessee may maintain all rights hereunder by beginning re-working operations or additional drilling within sixty (60) days after such cessation, or, if such cessation occurs during the primary term hereof, by commencing or resuming the payment of rental on or before the rental date next ensuing after sixty (60) days following such cessation.

6. After the discovery of any mineral in paying quantities, Lessee shall be exempt from loss or forfeiture of this lease in whole or in part, except after final judicial ascertainment that Lessee has failed to perform its duty hereunder, and thereafter Lessee shall have a reasonable opportunity to perform and prevent such loss or forfeiture, and in event of final loss or forfeiture, there shall be reserved to Lessee all producing and drilling wells with forty (40) acres surrounding each well to be designated by Lessee.

7. Lessor shall be entitled to the following royalties: one-eighth (1/8) of the oil produced and saved and not used for fuel in conducting operations on the land or in treating to make marketable the products therefrom; one-eighth (1/8) of any waste oil from the land or coming on to the land from other sources, if utilized; on gas, including casinghead gas or other gaseous substance, produced from said land and sold for purposes other than the manufacture of gasoline, the market value at the well of one-eighth (1/8) of the gas so sold. If such gas is sold for the manufacture of gasoline therefrom; the royalty shall be one-eighth (1/8) of the amount realized from such sale. In the event said gas is used off the lease or in the manufacture of gasoline therefrom by Lessee, the royalty shall be one-eighth (1/8) of the market value of such gas at the well. The royalty for each well producing gas only shall be Two Hundred and No/100 Dollars (\$200.00) each year until such time as the gas from such gas well shall be utilized in the manufacture of gasoline or sold off the land; on sulphur fifty cents (50c) for each long ton marketed; on salt three cents (3c) for each long ton marketed; and a reasonable royalty on any other mineral produced in quantities deemed by Lessee to be paying. These royalties are based upon the ownership of the entirety of the mineral rights by Lessor. If Lessor owns less than such entirety of the mineral rights in any portion of the land from which any mineral may be produced, such royalties shall be paid only in the proportion that Lessor's interest in the mineral rights in such portion bears to the entirety of the mineral rights therein.

8. The oil royalty shall be delivered to Lessor at Lessor's option into storage tanks provided by Lessor at Lessor's expense on the land retained, or into any pipe line connected with the well; if Lessee provides such pipe line, Lessee may purchase such royalty oil at its posted market price for oil of like kind and quality from the same field; if no storage tanks are provided by Lessor and there is no pipe line connected with the well, Lessee shall have the optional right to purchase the royalty oil at the market price at the well, or to sell such oil and to account to Lessor at the market price at the well.

9. Lessee shall bury its pipe lines below plow depth when requested by Lessor. No well shall be drilled nearer than two hundred (200) feet to the house or barn on said land without the written consent of Lessor, and Lessee shall be responsible for all damages caused by Lessee's operations other than damages necessarily caused by the exercise of the rights herein granted.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is hereby expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or the minerals in and under the same or assignment of rentals or royalties shall be binding on Lessee unless Lessee shall have been furnished thirty (30) days before payment hereunder of such rentals or royalties with certified copies of recorded instruments showing the muniments of title; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the land and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers any part or parts of said land upon which Lessee or any assignee of Lessee shall make due payment of said rental. If six or more parties become entitled to rentals or royalties hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all of such parties designating an agent to receive payment for all.

11. If by reason of labor troubles at manufacturing plants, or as the result of exercise of rights by governmental authority, Lessee is delayed or hindered in obtaining material or equipment necessary in drilling or completing a well, or if as a result of war, flood, storm, fire, blowout, differences with workmen, requisition or order of governmental authority, Lessee is prevented from commencing or completing the drilling of any well or wells, then in any such event Lessee shall be relieved during the period of such delay or the continuance of such preventing cause from all obligations, either express or implied, in this lease contained to commence or complete the drilling of any well or wells; and Lessee shall not be liable to Lessor in damages for failure to drill any such well during the time Lessee is relieved from the obligation so to do; provided, this paragraph shall not have the effect of altering the condition under which this lease will remain in force beyond its primary term, unless at the time of expiration of the primary term Lessee is prohibited from drilling upon the leased premises by governmental order in which event the primary term shall be extended automatically from year to year until the first anniversary hereof occurring 90 or more days following the cancellation of such governmental order; but inability to commence operations for drilling, and to drill, a well shall not relieve Lessee from the requirement of paying rentals if Lessee desires to continue this lease in force during the primary term or any extension thereof, in absence of production, drilling and reworking operations. In determining whether Lessee has used reasonable diligence wherever required by any obligation of this lease, express or implied, the causes of delay in this paragraph set forth shall not be exclusive of any other cause or causes which may exist. If for any period or periods of time after oil or gas has been discovered on the leased premises same is not produced because Lessee is unable to obtain and install by reason of any cause set forth herein, any equipment or material necessary for handling or transporting such production, then nevertheless during such period or periods of time it shall be considered for the purpose of continuing this lease in effect under the terms hereof that production of oil or gas is being had upon the leased premises.

12. Lessee is hereby given the right to pool or combine the acreage covered by this lease or any parts thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to promote the conservation of oil, gas or other minerals, such pooling to conform to drilling units prescribed by any applicable order of any governmental authority having jurisdiction of the subject matter, if such order be

ACKNOWLEDGMENT BY LESSOR (INDIVIDUAL)

STATE OF LOUISIANA

PARISH OF THE STATE OF LOUISIANA

Office of Clerk of Court 14th Judicial District

BEFORE ME, PARISH OF CALCASIEU, Louisiana, on this day of 19

I hereby certify, that the within Document was this day duly recorded in my office, in Book 384 of Conveyances on page 228 at sec 1 in witness whereof, Witness my official signature and Seal at Lake Charles, La. this 9 day of May A. D. 1972

Notary Public signature and stamp

Notary Public.

ACKNOWLEDGMENT BY WITNESS

STATE OF LOUISIANA

Parish of Calcasieu

BEFORE ME, the undersigned Notary Public; on this day personally appeared T. G. Lipscomb who being by me duly sworn; stated under oath that he was one of the subscribing witnesses to the within and foregoing instrument, and that the same was signed by Mary Lee Andrus Jurin, Natural Tutrix for the minors Peggy Louise Andrus and Dolores Ann Andrus

(Lessor, as above mentioned) in his presence and in the presence of Zula McDowell Lipscomb, the other subscribing witness.

Sworn to and subscribed before me this 23rd day of April, 1945

Notary Public in and for Calcasieu Parish, Louisiana

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH OF

BEFORE ME, the undersigned authority, this day personally appeared to me personally known, who; being by me duly sworn did say that he is the of and that the seal affixed to-said instrument is the corporate seal of said corporation and that said instrument was sighted and sealed in behalf of said corporation by authority of its Board of Directors and said acknowledged said instrument to be the free act and deed of said corporation.

SWORN to and subscribed before me, this day of 19

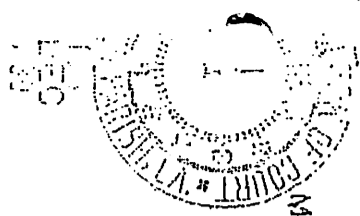
Notary Public in and for Parish, Louisiana

MINERAL LEASE form with handwritten details: NO. 43363C, FROM Mary Lee Andrus Jurin Tutrix, TO Gulf Lumbering Company, Dated 19, No. Acres, Term, This instrument was filed for record on the day of 19, at o'clock M., and duly recorded in Book, Page, of the records of this office. By Deputy.

357288

CONVEYANCE

AMENDMENT TO LEASE



150
dy

THIS AGREEMENT made and entered into on this 7 day of December, 1946, by and between Willard E. Walker, a resident of Dallas, Texas, and the Calcasieu Real Estate & Oil Company, Inc., represented by S. Arthur Knapp, its President, duly authorized by resolution of its board of directors, hereinafter called "Lessors", and Gulf Refining Company, a Delaware corporation, herein represented by J. H. Russell, its duly authorized Vice-President, and hereinafter called "Gulf", and Shell Oil Company, Inc., (formerly named Shell Petroleum Corporation), a Virginia corporation, herein represented by Ernest G. Robinson, its duly authorized Attorney-in-Fact, and hereinafter called "Shell":

W I T N E S S E T H

WHEREAS, on the 19th day of May, 1938, the Calcasieu National Bank in Lake Charles in Liquidation, and the Calcasieu Real Estate & Oil Company, Inc., entered into an oil, gas and mineral lease (hereinafter referred to as "Shell Lease") with the Shell Petroleum Corporation covering certain lands in the Parishes of Calcasieu and Jefferson Davis in the State of Louisiana, which said instrument is recorded in Calcasieu Parish in Conveyance Book 309, pages 166 et seq, and in Jefferson Davis Parish in Conveyance Book 78, pages 570 et seq, which land is fully described in said instrument; and,

WHEREAS, by instrument dated September 13, 1943, the Calcasieu National Bank in Lake Charles in Liquidation, and the Calcasieu Real Estate & Oil Company, Inc., and the Gulf Refining Company and the Shell Oil Company, Inc., amended the aforesaid lease, which said amendment is recorded in Calcasieu Parish in Conveyance Book 362, page 66, and in Jefferson Davis Parish in Conveyance Book 102, page 204, which said amendment and Shell Lease together are hereinafter referred to as "Shell Lease As Amended".

Houston 1. Texas
Gulf Ref. Co.

357288

866

NOW, THEREFORE, it is agreed by the parties hereto that beginning with the date of this instrument, the "Shell Lease As Amended" be and the same is hereby amended in the following particulars, to-wit:

1.

Insofar as said "Shell Lease As Amended" covers and affects the following described property, aggregating 397.66 acres, to-wit:

Southwest Quarter of Northwest Quarter ($\text{SW}\frac{1}{4}$ of $\text{NW}\frac{1}{4}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, Calcasieu Parish, less and except the following: Beginning at the Northeast corner of said Southwest Quarter ($\text{SW}\frac{1}{4}$) of Northwest Quarter ($\text{NW}\frac{1}{4}$) of said Section Seventeen (17), thence South 330-feet, thence West 310 feet, thence North 330 feet, thence East 310 feet to point of beginning, and containing 2.34 acres of land.

Northwest Quarter of Southwest Quarter ($\text{NW}\frac{1}{4}$ of $\text{SW}\frac{1}{4}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, Calcasieu Parish.

Northwest Quarter of Northwest Quarter ($\text{NW}\frac{1}{4}$ of $\text{NW}\frac{1}{4}$) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West, Jefferson Davis Parish.

North Half of Northeast Quarter ($\text{N}/2$ of $\text{NE}\frac{1}{4}$) of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West, Jefferson Davis Parish.

Southeast Quarter of Southeast Quarter ($\text{SE}\frac{1}{4}$ of $\text{SE}\frac{1}{4}$); West Half of Southeast Quarter ($\text{W}/2$ of $\text{SE}\frac{1}{4}$) of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, Calcasieu Parish.

Northwest Quarter of Northwest Quarter ($\text{NW}\frac{1}{4}$ of $\text{NW}\frac{1}{4}$); North Half of Northeast Quarter of Northwest Quarter ($\text{N}/2$ of $\text{NE}\frac{1}{4}$ of $\text{NW}\frac{1}{4}$) of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West; Also, East Half of Northeast Quarter of Northeast Quarter ($\text{E}/2$ of $\text{NE}\frac{1}{4}$ of $\text{NE}\frac{1}{4}$) of Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, Jefferson Davis Parish,

said lease has been and may continue to be operated with certain other acreage now under lease to Gulf as a unit upon the terms and conditions hereinafter set out, which said unit is called "First Unit", and which consists of the following described property, aggregating 1280 acres, to-wit:

East Half ($\text{E}\frac{1}{2}$) of East Half ($\text{E}\frac{1}{2}$) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing 160 acres, more or less;

All of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, containing 640 acres, more or less;

West Half ($W\frac{1}{2}$) of West Half ($W\frac{1}{2}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, containing 160 acres, more or less;

Northeast Quarter ($NE\frac{1}{4}$) of Northeast Quarter ($NE\frac{1}{4}$) of Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, containing 40 acres, more or less;

Northwest Quarter ($NW\frac{1}{4}$) of Northwest Quarter ($NW\frac{1}{4}$) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West, containing 40 acres, more or less;

North Two Hundred Forty (240) acres of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West.

2.

It is recognized by the parties hereto that the "Shell Lease As Amended", and as herein amended, permits Gulf to unitize with respect only to gas and distillate, and their by-products. In respect to the production of all other minerals from the above described 397.66 acres, the terms and conditions of the Shell Lease as originally written shall apply.

3.

It is recognized by the parties hereto that the 397.66 acres hereinabove described have been unitized with the remainder of the 1280 acres above described to form a unit for the production of gas and distillate, and their by-products, and it is agreed, in this connection, that the "Shell Lease As Amended", insofar as said tract of 397.66 acres is concerned, shall remain in full force and effect for one (1) year from November 1, 1946 and as long thereafter as drilling or producing operations are conducted on said "First Unit".

4.

It is understood and recognized by the parties hereto that two wells have heretofore been completed on the aforesaid "First Unit" which wells are capable of producing gas and gas distillate in paying quantities, and that Gulf intends to produce gas from said wells immediately upon the completion of pipe line facilities necessary for the transportation thereof. It is now agreed that so long as gas shall be produced from either of said wells in paying quantities, or so long as Gulf is using reasonable diligence to restore production from either of said wells,

should production cease due to an order of any regulatory governmental body having jurisdiction, or other causes beyond Gulf's control, such production or the use of reasonable diligence to restore production shall be considered as full compliance with the requirements of said lease as to the 397.66 acres above described IN SO FAR but IN SO FAR ONLY as said lease concerns gas and gas distillate; but in respect to all other minerals said lease shall remain in force as originally written and as heretofore and as herein amended.

5.

The said "First Unit" shall continue to be operated in accordance with the terms and conditions of that certain Pooling and Unitization Agreement entered into between Gulf and various other parties, a counterpart of which is recorded in the Conveyance Records of Calcasieu Parish, Louisiana, in Book 335, page 134, and which is made a part hereof by reference, and it is agreed and understood that the said 397.66 acres form a part of said "First Unit" and that in lieu of the royalties provided for in the "Shell Lease As Amended" in respect to production of gas and distillate, and their by-products, Lessors shall be entitled to 397.66/1280 of such royalties as provided for in said Pooling and Unitization Agreement.

6.

As to the remaining property covered and affected by the "Shell Lease As Amended", which said property aggregates 1171.90 acres, and is more fully described as follows, to-wit:

East Half of Southwest Quarter (E/2 of SW $\frac{1}{4}$) and Southeast Quarter of Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, Calcasieu Parish.

Southwest Quarter of Southwest Quarter (SW $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section Sixteen (16), Township Eleven (11) South, Range Five (5) West, Calcasieu Parish.

Northeast Quarter of Northwest Quarter (NE $\frac{1}{4}$ of NW $\frac{1}{4}$) and West Half of Northeast Quarter (W/2 of NE $\frac{1}{4}$) and Southeast Quarter of Northeast Quarter (SE $\frac{1}{4}$ of NE $\frac{1}{4}$) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West, Jefferson Davis Parish.

East 10 acres of Northeast Quarter of Southeast Quarter (NE $\frac{1}{4}$ of SE $\frac{1}{4}$) and East 10 acres of Southwest Quarter of Southeast Quarter (SW $\frac{1}{4}$ of SE $\frac{1}{4}$) and

Southeast Quarter of Southeast Quarter
(SE $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section Seventeen (17),
Township Eleven (11) South, Range Five (5)
West, Calcasieu Parish.

Northeast Quarter of Northeast Quarter (NE $\frac{1}{4}$ of NE $\frac{1}{4}$)
and North Half of South Half (N/2 of S/2) of
Section Twenty (20); Northwest Quarter of Northeast
Quarter (NW $\frac{1}{4}$ of NE $\frac{1}{4}$) and Northwest Quarter (NW $\frac{1}{4}$)
of Section Twenty-one (21), Township Eleven (11)
South, Range Five (5) West, Jefferson Davis Parish.

North Half of Northwest Quarter of Southwest
Quarter (N/2 of NW $\frac{1}{4}$ of SW $\frac{1}{4}$) and Northeast Quarter
of Southwest Quarter (NE $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section
Twenty-one (21), Township Eleven (11) South,
Range Five (5) West, Jefferson Davis Parish.

Southeast Quarter of Southwest Quarter (SE $\frac{1}{4}$ of SW $\frac{1}{4}$);
East 30 acres of Southwest Quarter of Southwest
Quarter (SW $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section Twelve (12); North-
east Quarter of Northwest Quarter (NE $\frac{1}{4}$ of NW $\frac{1}{4}$)
of Section Thirteen (13), Township Eleven (11)
South, Range Six (6) West, Calcasieu Parish.

South Half of Southwest Quarter of Northwest
Quarter (S/2 of SW $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section Five (5)
Township Eleven (11) South, Range Five (5)
West, Calcasieu Parish.

Northwest Quarter of Northwest Quarter (NW $\frac{1}{4}$ of NW $\frac{1}{4}$)
of Section Twelve (12); Northeast Quarter of
Northeast Quarter (NE $\frac{1}{4}$ of NE $\frac{1}{4}$) of Section Eleven
(11), and an undivided 1/2 interest in Southeast
Quarter of Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$) of
Section Eleven (11), Township Eleven (11) South,
Range Six (6) West, Calcasieu Parish.

North Half of Northeast Quarter of Southwest
Quarter (N/2 of NE $\frac{1}{4}$ of SW $\frac{1}{4}$) and Southwest Quarter
of Southeast Quarter (SW $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section
Eight (8), Township Eleven (11) South, Range Five
(5) West, Calcasieu Parish.

Commencing at the Northwest corner of Southeast
Quarter of Southwest Quarter (SE $\frac{1}{4}$ of SW $\frac{1}{4}$) of
Section Twenty-one (21), Township Eleven South
(11S), Range Five (5) West, thence East along
the North side of said 40 acres to the Northeast
corner of said 40 acres, thence South along the
East line of said 40 acres a distance of 430
feet, more or less, to gravel road, thence in
Northwesterly direction along the gravel road to
a point on the West line of said 40 acres,
which point is 50 feet, more or less, South of
the point of beginning, thence North to the
point of beginning, comprising a total of eight
acres, more or less, Jefferson Davis Parish.

West Half of Southwest Quarter of Southeast
Quarter (W/2 of SW $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section Two (2)
Township Eleven (11) South, Range Six (6) West,
Calcasieu Parish. Also, commencing at the
Northwest corner of Northwest Quarter of South-
east Quarter (NW $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section One (1)
Township Eleven (11) South, Range Six (6) West,
thence East 701.2 feet, thence South 931.8 feet,
thence West 701.2 feet, thence North 931.8 feet
to the point of commencement, containing Fourteen
acres, more or less, in Calcasieu Parish,

the term of the "Shell Lease As Amended" is extended to November 1, 1947, and as long thereafter as Lessee is engaged in drilling or re-working operations on said land or is producing oil, gas, sulphur or other minerals from said land in paying quantities.

7.

The consideration for this amendment to the said "Shell Lease As Amended", is the sum of \$7,847.80, receipt of which is hereby acknowledged by Lessors.

8.

Notwithstanding anything to the contrary contained in the aforesaid pooling and unitization agreement or in this contract, it is agreed and understood that operations on the "First Unit" herein described shall not maintain the leasehold rights as to the 1171.90 acres mentioned, and operations on said 1171.90 acres shall not maintain leasehold rights as to the lands of Lessor within the "First Unit"; nor shall failure to operate on either portion of said property affect the rights of Gulf and Shell in and to the other portion thereof so long as the lease as to that part of the property is being maintained according to its terms as heretofore and herein amended and extended; it being the intention hereof that the 397.66 acres in the "First Unit" and the 1171.90 acres described above shall each be considered as held under separate lease contracts, subject to the "Shell Lease As Amended" and to the agreements herein set forth.

9.

As herein supplemented and amended, the "Shell Lease As Amended", is and shall remain in full force and effect according to its terms and conditions.

THUS DONE AND SIGNED by Willard E. Walker and the Calcasieu Real Estate & Oil Company, Inc., at Lake Charles, Louisiana, as of the day and date as hereinabove written.

And this amendment to the "Shell Lease As Amended" is executed by Gulf Refining Company and Shell Oil Company in the

presence of the undersigned and competent witnesses as of the day and date as hereinabove written.

WITNESSES:

FORM APPROVED
LICKOW, LEWIS,
SERARD & SHEPARD

Margaret A. Penny
William Huggins

Willard E. Walker
Willard E. Walker

Alberta Dole
R. Brown

Calcasieu Real Estate & Oil Company, Inc.

By Wm. T. Ennis
President

L. S. Brown
John Henry

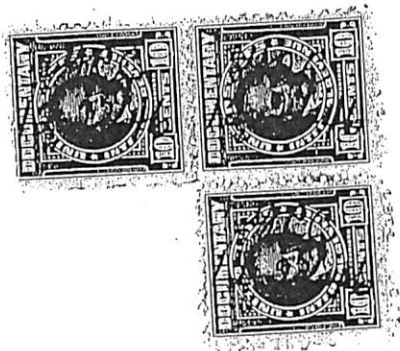
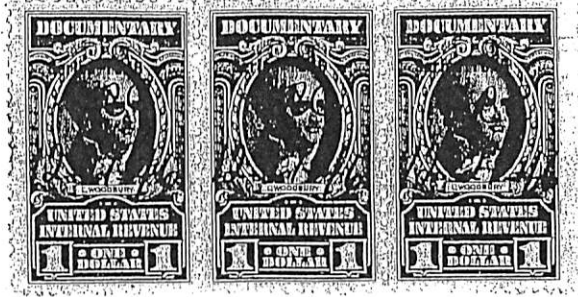
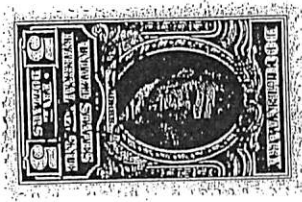
Gulf Refining Company ~~Inc~~

By J. S. Dumas

John S. Bolin
Fred C. Sweet

Shell Oil Company, Incorporated

By Ernest T. Robinson
Attorney-in-Fact



STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Margaret A. Berry, who, being by me duly sworn, stated under oath that she was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Willard E. Walker in her presence and in the presence of William Waggener, the other subscribing witness.

Margaret A. Berry

SWORN TO and subscribed before me, this the 7 day of December, 1946.

B. F. Buchanan (B. F. Buchanan)
Notary Public in and for
Dallas County, Texas

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared H. S. Scott, who being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Gulf Refining Company, acting by and through J. H. Russell, its Vice President, in his presence and in the presence of J. B. Victory, the other subscribing witness.

H. S. Scott

SWORN TO and subscribed before me, this the 12 day of December, 1946.

Margie D. Johnson
Notary Public in and for
Harris County, Texas

MARGIE D. JOHNSON

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John S. Bolin, who being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Shell Oil Company, Inc., acting by and through Ernest A. Robinson, its attorney in fact, in his presence and in the presence of Fred E. Sweat, the other subscribing witness.

John S. Bolin

SWORN TO and subscribed before me, this the 19 day of December, 1946.

W. C. Dransau
Notary Public in and for
Harris County, Texas

W. C. DRANSAU
Notary Public Harris County, Texas

STATE OF LOUISIANA

PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, on this day personally appeared Alberta Ihle, who being by me duly sworn, stated under oath that she was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by Calcasieu Real Estate & Oil Co. Inc., acting by and through S. Arthur Knapp, its President, in ~~his~~ presence and in the presence of K. Bower, the other subscribing witness.

Alberta Ihle

SWORN to and subscribed before me, this the 9 day of December, 1946.

Laura C. Deas
Notary Public in and for
Calcasieu Parish, Louisiana

EXTRACT from the minutes of the regular meeting of the Board of Directors of the CALCASIEU REAL ESTATE & OIL CO., INC., held at their office in Lake Charles, Louisiana, on Tuesday, November 12, 1946.

* * * * *

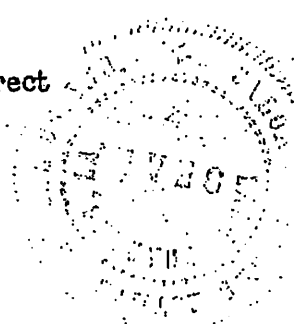
"WHEREAS, this corporation did on the 19th day of May 1938, join with the Trustees of the Calcasieu National Bank in Lake Charles, in Liquidation, in leasing certain land in the parishes of Calcasieu and Jefferson Davis, in the State of Louisiana, to the Shell Petroleum Corporation, and

WHEREAS, by instrument dated September 13, 1943, this corporation did join with the Trustees of the Calcasieu National Bank in Lake Charles, in Liquidation, in amending the aforesaid lease held by the Gulf Refining Company and the Shell Oil Co., Inc., thereby placing a portion of said lands in a unitization block of 1,280 acres, and extending the primary term of the lease as to the balance of the property.

NOW, THEREFORE, BE IT RESOLVED: That, S. Arthur Knapp, President of this Corporation be, and he is hereby authorized, empowered and instructed to join with W. E. Walker in signing an amendment to said "Shell lease as amended", providing for an extension of time for one year from November 1, 1946, and granting said S. Arthur Knapp full power and authority to receipt and receive any and all payments for said amended lease, and all acts necessary for carrying out all of the provisions of said amendment."

* * * * *

I HEREBY CERTIFY that the above and foregoing is a true and correct extract from the minutes of said meeting held as aforesaid.



J. S. Little

Secretary

RECORDED & INDEXED
NOV 12 1946
CALCASIEU REAL ESTATE & OIL CO., INC.

314240

STATE OF LOUISIANA)
PARISH OF CALCASIEU)
PARISH OF JEFFERSON DAVIS)

374240

~~CONVEYANCE~~

3.15

J. J.

Houston Tex
Gulf Refg Co.

WHEREAS, Gulf Refining Company is the owner of certain mineral leases, including a lease from Charles L. Thompson, dated September 20, 1940, and recorded in COB 329, f. 564 of the Conveyance Records of Calcasieu Parish, Louisiana, and in Volume 89, page 309 of the Conveyance Records of Jefferson Davis Parish, Louisiana, which together cover a tract of 1280 acres situated in the Parishes of Calcasieu and Jefferson Davis, State of Louisiana, described as follows, to-wit:

East Half ($E\frac{1}{2}$) of East Half ($E\frac{1}{2}$) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, containing 160 acres, more or less;

All of Section Eighteen (18), Township Eleven (11) South, Range Five (5) West, containing 640 acres, more or less; West Half ($W\frac{1}{2}$) of West Half ($W\frac{1}{2}$) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, containing 160 acres, more or less;

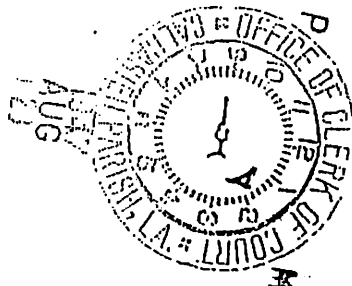
Northeast Quarter ($NE\frac{1}{4}$) of Northeast Quarter ($NE\frac{1}{4}$) of Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, containing 40 acres, more or less;

Northwest Quarter ($NW\frac{1}{4}$) of Northwest Quarter ($NW\frac{1}{4}$) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West, containing 40 acres, more or less;

North Two Hundred Forty (240) acres of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West, containing in the aggregate Twelve Hundred and Eighty (1280) acres, more or less.

AND, WHEREAS, Mrs. Rita O'Keefe, a widow, a resident of New Orleans, Louisiana, claims to be the owner of a 1/32nd mineral royalty interest in and under the following described land situated in Calcasieu Parish, Louisiana, subject to the aforesaid lease executed by Charles L. Thompson, to-wit:

$SE\frac{1}{4}$ of $NE\frac{1}{4}$ and $SE\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 13, Township 11 South, Range 6 West; the $NW\frac{1}{4}$ of $NW\frac{1}{4}$, $SE\frac{1}{4}$ of $NW\frac{1}{4}$, $NW\frac{1}{4}$ of $SW\frac{1}{4}$ and the $SE\frac{1}{4}$ of $SW\frac{1}{4}$ of Section 18, Township 11 South, Range 5 West;



FILED

WHEREAS, the said Mrs. Rita O'Keefe by instrument dated August 21, 1946, and of record in Conveyance Book 120, page 612 of the Records of Jefferson Davis Parish, Louisiana, and of record in Conveyance Book 406, page 449 of the Records of Calcasieu Parish, Louisiana, pooled and unitized her said mineral royalty interest with the other royalty interests in and to said 1280 acre tract; and,

WHEREAS, Gulf Refining Company has drilled and completed two gas-distillate wells on the said 1280 acre tract and has produced some gas and distillate therefrom but said wells are now temporarily shut in awaiting the completion of pipe line facilities necessary for the transportation of gas from said wells; and,

WHEREAS, for their mutual advantage it is the desire of Gulf Refining Company and of Mrs. Rita O'Keefe to amend the aforesaid mineral lease from Charles L. Thompson to Gulf Refining Company in so far as the same covers and applies to that portion of the leased premises in which the said Mrs. Rita O'Keefe claims a mineral royalty interest and hereinabove described:

NOW, THEREFORE, in consideration of the premises and for the considerations hereinafter set out, and other good and valuable considerations, the receipt of which is hereby acknowledged, the parties hereto do hereby amend the aforesaid lease by deleting and eliminating therefrom the provision reading as follows, to-wit:

"The royalty for each well producing gas only shall be Two Hundred and 00/100 (\$200.00) Dollars each year until such time as the gas shall be utilized in the manufacture of gasoline or sold off the land,"

and substituting therefor the following, to-wit:

"Should no gas or distillate be sold or used so as to produce royalty for Grantor hereunder, then until gas or distillate shall be sold or used so as to produce royalty for Grantor, or until the discovery of some other mineral in paying quantities on said land, Grantee may pay to Grantor annually as a royalty a sum equal to the annual rental provided for herein. Such payment may be made in the manner provided herein for the payment of rental, and so long as such annual payment is made it will be considered that this lease is being maintained in force by production of gas or distillate in paying quantities."

The parties hereto do hereby further amend the aforesaid lease by adding thereto the following, to-wit:

"It is agreed that the SE $\frac{1}{4}$ of NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 13, Township 11 South, Range 6 West; the NW $\frac{1}{4}$ of NW $\frac{1}{4}$, SE $\frac{1}{4}$ of NW $\frac{1}{4}$, NW $\frac{1}{4}$ of SW $\frac{1}{4}$ and the SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 18, Township 11 South, Range 5 West, Calcasieu Parish, Louisiana, has been and may continue to be operated with certain other acreage now under lease to Gulf Refining Company as a unit upon the terms and conditions set out in that certain pooling and unitization contract attached to and made a part of the instrument executed by Mrs. Rita O'Keefe on August 21, 1946, which said contract is in full force and effect and the provisions hereof as herein amended are subject thereto. It is understood and recognized that two wells have been completed on the above described land or on the unit formed in part by said land, which wells are capable of producing gas and/or distillate in paying quantities and for all purposes said wells shall be considered as having been drilled and completed under the terms of this lease as herein amended and under the terms of the aforesaid pooling and unitization contract, which said contract is hereby ratified and confirmed and adopted as the act of the said Mrs. Rita O'Keefe to the same extent as if she had joined in the execution thereof."

In consideration for the execution of this instrument by the said Mrs. Rita O'Keefe, Gulf Refining Company agrees to pay to the said Mrs. Rita O'Keefe, her heirs and assigns, 1/32nds of 1/8th of all the oil and other minerals, except gas and distillate, that may be produced and saved from that portion of the land covered by the aforesaid lease from Charles L. Thompson to Gulf Refining Company, in which Mrs. Rita O'Keefe claims to own a royalty interest, which is now recognized; and agrees to pay to the said Mrs. Rita O'Keefe, her heirs and assigns, in respect to gas and distillate produced and saved

from the unit of 1280 acres hereinabove described 1/32nds of 1/8th of 240/1280ths of all gas and distillate so produced and saved, all in accordance with the provisions of the above mentioned pooling and unitization contract, which is made a part hereof by reference. It is understood that the payment of the above stipulated royalty shall constitute full satisfaction of all of the said Mrs. Rita O'Keefe's claims to royalty under the aforesaid lease on the basis of the said Mrs. Rita O'Keefe's present mineral interest in and to the land covered by said lease.

The said Mrs. Rita O'Keefe acknowledges receipt from Gulf Refining Company of the sum of One Hundred Nine and 17/100 (\$109.17) Dollars as payment in full of all royalties that have accrued to her to this date under said lease as herein amended, including Forty-eight and 75/100 (\$48.75) Dollars due under the provisions of the amendatory paragraph first appearing in this instrument.

As herein amended the aforesaid mineral lease and the aforesaid pooling and unitization contract are recognized by the parties hereto to be in full force and effect as to all of their terms and stipulations.

IN WITNESS WHEREOF, this instrument is executed as of the 15th day of August, 1947, in the presence of the undersigned competent witnesses.

WITNESSES:

Manuel Smith
J. Blane Enclave

Spictery
James Bruch

Mrs. Rita O'Keefe
Mrs. Rita O'Keefe

GULF REFINING COMPANY, *H.R.D.*
By J. H. ...
Vice-President

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned Notary Public, on this day personally appeared J. Blanc Monroe, who being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by MRS. RITA O'KEEFE in his presence and in the presence of Mamie Smith, the other subscribing witness.

J. Blanc Monroe

SWORN TO and subscribed before me, this 15 day of August, 1947.

Walter Reverend
Notary Public in and for
Orleans Parish, Louisiana.

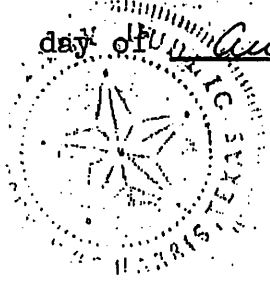
STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, this day personally appeared J. H. RUSSELL, to me personally known, who, being by me duly sworn did say that he is the Vice-President of GULF REFINING COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said J. H. Russell acknowledged said instrument to be the free act and deed of said corporation.

J. H. Russell

SWORN TO and subscribed before me, this 26 day of August, 1947.



Margie D. Johnson
Notary Public in and for
Harris County, Texas.

MARGIE D. JOHNSON

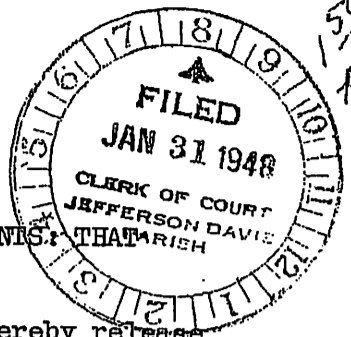
~~CONVEYANCE~~

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THE STATE OF LOUISIANA ()
PARISH OF CALCASIEU ()

KNOW ALL MEN BY THESE PRESENTS: THAT

GULF REFINING COMPANY and SHELL OIL COMPANY, INC. hereby release, relinquish and forever quitclaim unto CALCASIEU NATIONAL BANK IN LAKE CHARLES, IN LIQUIDATION, and CALCASIEU REAL ESTATE & OIL COMPANY, lessor, and heirs, successors and assigns, as their interest may appear, any and all rights whatsoever acquired or held by them under the following described oil, gas and mineral lease executed by CALCASIEU NATIONAL BANK IN LAKE CHARLES, IN LIQUIDATION, and CALCASIEU REAL ESTATE & OIL COMPANY, as lessor, to SHELL PETROLEUM CORPORATION, as lessee, dated the 19th day of May, A. D. 1938, and recorded in Volume 309, page 166, of the Conveyance Records of Calcasieu Parish, Louisiana, and Volume 78, page 570 of the Conveyance Records of Jefferson Davis Parish, Louisiana, in so far only as said lease affects all of the land described in and covered thereby SAVE AND EXCEPT the following described land:

SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 17, Twp. 11 South, Rng. 5 West, Calcasieu Parish, Louisiana, less and except the following: Beginning at the NE corner of said SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of said Section 17, Thence South 330 feet, thence West 310 feet, thence North 330 feet, thence East 310 feet to point of beginning, and containing 2.34 acres of land.

NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 17, Twp. 11 South, Rng. 5 West, Calcasieu Parish, Louisiana.

NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 20, Twp. 11 South, Rng. 5 West, Jefferson Davis Parish, Louisiana.

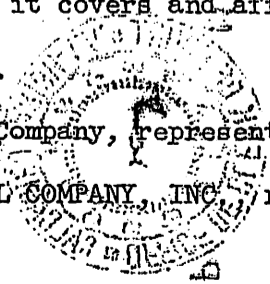
N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 19, Twp. 11 South, Rng. 5 West, Jefferson Davis Parish, Louisiana.

SE $\frac{1}{4}$ of SE $\frac{1}{4}$, W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 18, Twp. 11 South, Rng. 5 West, Calcasieu Parish, Louisiana.

NW $\frac{1}{4}$ of NW $\frac{1}{4}$; N $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 19, Twp. 11 South, Rng. 5 West; also E $\frac{1}{2}$ of NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 24, Twp. 11 South, Rng. 6 West, Jefferson Davis Parish, Louisiana.

Said oil, gas and mineral lease, as amended from time to time, shall remain in full force and effect in so far as it covers and affects the above described land, which is not released hereby.

IN TESTIMONY WHEREOF Gulf Refining Company, represented herein by its duly authorized Vice-President, and SHELL OIL COMPANY, INC. represented herein



165836 - J. A. Ryland

by its duly authorized Attorney in Fact, have executed this instrument on this the 30 day of December, A. D. 1947, in the presence of the undersigned competent witnesses.

ATTEST:

L. E. Delcuze
Assistant Secretary
L. E. DELCUZE

GULF REFINING COMPANY

By J. H. Russell
Vice-President

WITNESSES:

U. B. Scott
J. B. Victory

XXXXXXXX

XXXXXXXXXXXXXXXXXXXXX
Secretary

WITNESSES:

S. A. Sharp
Hugh Buchanan

SHELL OIL COMPANY, INC.,

By Ernest G. Robinson
XXXXXXXXXXXXXXXXXXXXX
Attorney in Fact

THE STATE OF TEXAS ()
COUNTY OF HARRIS ()

BEFORE ME, the undersigned Notary Public in and for the State and County aforesaid, on this day came and appeared L. S. Scott, who, being by me duly sworn, deposes and says that he was one of the subscribing witnesses to the above and foregoing instrument, and that the same was signed in his presence and that of J. B. Victory, the other subscribing witness by the GULF REFINING COMPANY, acting by and through J. H. Russell, its Vice-President.

U. B. Scott
Witness

SWORN to and subscribed before me, this the 30 day of December, A. D. 1947.

Margie D. Johnson
Notary Public in and for Harris County, Texas.
MARGIE D. JOHNSON

THE STATE OF TEXAS ()
COUNTY OF HARRIS ()

~~BEFORE ME, the undersigned Notary Public in and for the State and County aforesaid, on this day came and appeared _____, who, being by me duly sworn, deposes and says that he was one of the subscribing witnesses to the above and foregoing instrument, and that the same was signed in his presence and that of _____, the other subscribing witness by the SHELL OIL COMPANY, INC., acting by and through _____, its~~

~~_____
Witness~~

~~SWORN to and subscribed before me, this the _____ day of December, A. D. 1947.~~

~~_____
Notary Public in and for Harris County, Texas.~~

LD-29 - LOUISIANA
(Revised 9-9-47)

STATE OF LOUISIANA)
PARISH OF ORLEANS)

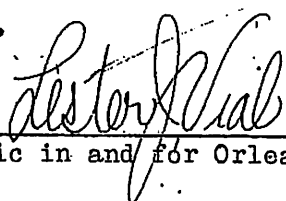
BEFORE ME, the undersigned authority, on this day
personally appeared S. S. Tharp,
known to me to be the person whose name is subscribed to the
foregoing instrument as an attesting witness, who being first
duly sworn, on his oath says:

That he personally knows ERNEST G. ROBINSON and that
he saw the said ERNEST G. ROBINSON sign and execute the foregoing
instrument as attorney in fact for and as the free act and deed
of SHELL OIL COMPANY, Incorporated, and that he, the said

S. S. Tharp, subscribed his name to the
same at the same time as an attesting witness, along with
Hugh Buchanan, the other subscribing witness.


AFFIANT

SWORN TO AND SUBSCRIBED before me this 7th
day of January, 1948.


Notary Public in and for Orleans Parish, Louisiana

45/17
CONVEYANCE

22/2/55
Chap

630961

OFFICE OF CLERK OF COURT

OCT 4 10 54 AM '55

* CALCASIEU PARISH, LOUISIANA *

UNITED STATE OF AMERICA

STATE OF LOUISIANA

PARISH OF ORLEANS

SHELL OIL COMPANY

TO

SHELL CANADIAN EXPLORATION COMPANY

BE IT KNOWN, that on this 1st day of October, in the year of Our Lord

One Thousand Nine Hundred and Fifty-five;

BEFORE ME, Lester J. Vial, a Notary Public duly commissioned and qualified in and for the Parish and State aforesaid, in the presence of the witnesses hereinafter named and undersigned;

PERSONALLY CAME AND APPEARED:

SHELL OIL COMPANY

a corporation organized under the laws of Delaware, hereinafter sometimes called "Grantor", herein appearing and acting by and through W. M. Johnson, its attorney in fact, duly authorized to appear herein and act for and on behalf of Shell Oil Company:

And Shell Oil Company, by and through its said representative, W. M. Johnson, declared unto me Notary, that:

WHEREAS, it is the owner of all of the authorized and outstanding capital stock of Shell Canadian Exploration Company, a corporation organized under the laws of Delaware and hereinafter sometimes referred to as "Grantee", and desires to contribute to such Company the properties hereinafter described, and;

NOW, THEREFORE, in consideration of the premises, Grantor does by these presents give, grant, assign, transfer and convey to Grantee, its successors and assigns, the oil, gas and mineral royalties, overriding royalties, mineral interests and all other rights and interests which have been acquired, excepted or reserved by Shell Oil Company, or any of its corporate predecessors, under and by virtue of the instruments listed and described in Schedule I, annexed hereto and paraphed "Ne Varietur" by me, Notary, for identification herewith, there being excepted from this transfer, however, and not transferred to Grantee, the rights under any such instrument expressly declared to be retained by Grantor in the annexed schedule.

Shell Oil Co., P.O. Box 193, N.O. 3, La.

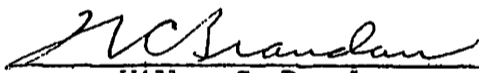
TO HAVE AND TO HOLD the above described property unto Grantee, its successors and assigns forever.

And now, Shell Canadian Exploration Company, herein appearing and acting by and through Fred C. Sweat, its attorney in fact, duly authorized to appear herein, and act for and on behalf of said Company, and in the presence of the undersigned witnesses and me, Notary, declares, through its said representative, Fred C. Sweat, that it accepts the contribution and assignment of the above described property made to it by Shell Oil Company.


The address of Shell Oil Company is P. O. Box 193, New Orleans, Louisiana. The address of Shell Canadian Exploration Company is P. O. Box 855, New Orleans, Louisiana.

THUS DONE AND PASSED in duplicate original, in the Parish of Orleans, State of Louisiana, on the day, month and year herein first above written in the presence of W. C. Brandau and J. S. Patty competent witnesses, who hereunto sign their names with the said appearers, and me Notary, after reading of the whole.

WITNESSES:



Wilbur C. Brandau



Jack S. Patty

SHELL OIL COMPANY


BY 

Attorney in Fact

SHELL CANADIAN EXPLORATION COMPANY

BY 

Attorney in Fact



Lester J. Vial
Notary Public

No Documentary Stamps Required.

SCHEDULE I

ANNEXED TO AND MADE PART OF AN ASSIGNMENT
FROM SHELL OIL COMPANY TO SHELL CANADIAN
EXPLORATION COMPANY DATED OCTOBER 1, 1955

The following instruments affecting or relating to lands situated in the Parish of Calcasieu, State of Louisiana, are recorded in the office of the Clerk of Court of said Parish and are identified by reference to their respective dates, the parties thereto and the recording data, and to which instruments as so recorded is hereby made for more particular description of said lands.

<u>Grantor or Obligor</u>	<u>Grantee or Obligee</u>	<u>Date</u>	<u>Recording Data</u>	
			<u>Book</u>	<u>Page</u>
Minerva Petroleum Corporation	Shell Oil Company, Inc. (See Note 1)	4-1-45	383	561
Mortex Petroleum Corporation insofar and only insofar as said conveyance covers item 4 as described therein.	Shell Oil Company, Inc. (See Note 1)	1-3-49	452	192
M. L. Sides Hunter & Paul B. Hunter insofar and only insofar as said conveyance covers item 5 described therein	Shell Oil Company, Inc. (See Note 1)	11-26-48	452	461
Rotex Oil Company insofar and only insofar as said conveyance covers items 11 & 12 described therein	Shell Oil Company, Inc. (See Note 1)	1-7-49	452	462
Shell Oil Company	Temple Hargrove (See Note 2)	1-21-52	513	141
Shell Oil Company	Temple Hargrove (See Note 2)	6-5-52	Entry #629785	
Shell Oil Company	Niloco Company (See Note 2)	10-19-50	485	360
Shell Oil Company	Niloco Company (See Note 2)	11-7-49	465	237
Shell Oil Company	Niloco Company (See Note 2)	9-27-49	463	133
Shell Oil Company	Niloco Company (See Note 2)	11-21-50	484	416
Shell Oil Company, Inc.	Gulf Refining Company (See Note 1)	5-28-42	345	568
Shell Oil Company, Inc.	Gulf Refining Company (See Note 1)	8-3-43	359	277

Note 1 All assets of Shell Oil Company, Incorporated, were transferred to Shell Oil Company on September 30, 1949. The Deed evidencing such transfer as to all properties in Calcasieu Parish, Louisiana, has been recorded in Book 464, at page 259.

Note 2 The preferential right to purchase production as provided for in this instrument is retained by Shell Oil Company.

NE VARIETUR

For Identification with an Act of Transfer and Assignment from
Shell Oil Company to Shell Canadian Exploration Company passed be-
fore me this 1st day of October, 1955.

Lester J. Vial
Lester J. Vial, Notary P. Lic.
Parish of Orleans, State of Louisiana

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, this day personally came and appeared Marilyn M. Hays, to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on oath, says: That she knows W. Henry Managan, appearing therein for the Krause & Managan Lumber Co., Ltd. to be the identical person described therein, and that she acknowledges that he executed and signed the foregoing instrument as his free act and deed; and that she, the said Marilyn M. Hays subscribed her name to the instrument as an attesting witness at the same time.

/s/ John J. Robira, Notary (SEAL)

SWORN TO AND SUBSCRIBED before me, on this 29th day of August, 1949.

FILED OCTOBER 5, 1949. FILE NO. 441074

RECORDED OCTOBER 10, 1949.

J. J. Robira

DEPUTY CLERK & EX OFFICIO RECORDER

~~~~~ LV ~~~~~

SHELL OIL COMPANY, INCORPORATED

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&  
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&  
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D E E D

TO

SHELL OIL COMPANY

THIS DEED, made by SHELL OIL COMPANY, INCORPORATED,

DEED

a Virginia corporation (formerly named Roxana Petroleum

~~~~~ Corporation and later named Shell Petroleum Corporation, and hereinafter called "Grantor"), to SHELL OIL COMPANY, a Delaware corporation (hereinafter called "Grantee"), both with offices at 50 West 50th Street in the City, County and State of New York;

W I T N E S S E T H :

(WHEREAS, on this 30th day of September, 1949, Grantor and Grantee (the owner of all the authorized and outstanding capital stock of Grantor) have adopted and executed a Plan of Liquidation approved by their respective Boards of Directors at meetings held respectively on September 21, 1949, and September 22, 1949, which Plan of Liquidation provides in part as follows:

"1. On September 30, 1949, Shell Virginia (Grantor) shall cease business and transfer, convey, assign, and distribute in complete liquidation all its property, assets, business, and good will to Shell Delaware (Grantee) upon the surrender to Shell Virginia for redemption and cancellation of all the capital stock of Shell Virginia and said capital stock, shall thereupon be completely redeemed and cancelled.";
and

WHEREAS, all said capital stock of Grantor has been so surrendered, redeemed and cancelled; and

WHEREAS, at said meeting of the Board of Directors of Grantor held on September 21, 1949, the following resolution with reference to said Plan of Liquidation was adopted:

"RESOLVED that the President and the Vice-Presidents of the Corporation be and each of them is authorized to sign, execute and deliver, in the name and on behalf of the Corporation, such instruments or documents, and to take such action as he may deem necessary or desirable to effect said Plan of Liquidation.";

NOW, THEREFORE, Grantor, in consideration of the premises, does hereby bargain, sell, assign, transfer and convey to Grantee, its successors and assigns, without covenants of title or warranty whatsoever, but with full subrogation and substitution to all rights of warranty, all of Grantor's right, title and interest of every kind and character, now owned or claimed

or hereafter acquired, in, to, affecting or relating to: (1) the oil, gas and mineral leases and co-lessors' agreements, and ratifications thereof, (as any of same may have been extended, amended or modified), described on Schedule I annexed hereto and made a part hereof; and (2) the other properties, real, personal and mixed, described on Schedule II annexed hereto and made a part hereof; and (3) any and all other properties, real, personal and mixed, situated in the Parish of Calcasieu State of Louisiana, in, to, affecting or relating to which, any right, title or interest has at any time been conveyed or transferred to, or reserved by, Grantor of record in said Parish, and has not been conveyed or transferred heretofore by Grantor of record in said Parish; and (4) any and all other properties, real, personal and mixed, situated in said Parish; and (5) any and all contracts, choses in action, privileges, equities, claims, benefits, accounts and causes of action; together with all and singular the rights, easements and appurtenances belonging or in any wise incident thereto;

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns, forever.

The rights, titles and interests conveyed hereby in properties, real, personal and mixed, shall include, without limitation, all estates in fee, reversions, remainders, estates for years, leaseholds, oil, gas and other mineral leases and co-lessors' agreements, and ratifications, amendments and modifications thereof, minerals, mineral rights, rentals, royalties, overriding royalties, oil payments, surface rights, franchises, licenses, options, rights of way, easements, servitudes and grants.)

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed in its corporate name by one of its Vice Presidents, and its corporate seal to be affixed hereto and attested by one of its Assistant Secretaries, and to be delivered to Grantee this 30th day of September, 1949. SHELL OIL COMPANY, INCORPORATED BY /s/ E. D. Cumming, Vice President
(SEAL)
Attest: /s/ R. H. Whilden, Assistant Secretary WITNESSES: Anne Moore, H. M. Kisten (?)

STATE OF TEXAS:

COUNTY OF HARRIS

On this 30th day of September, 1949, before me, appeared E. D. Cumming, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Shell Oil Company, Incorporated, and that the seal affixed to said instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and said E. D. Cumming acknowledged said instrument to be the free act and deed of said Corporation. /s/ Evelyn Marquart, Notary Public in and for Harris County, Texas (SEAL)

NO DOCUMENTARY STAMPS REQUIRED

SCHEDULE I

Annexed to and Made Part of a Deed by Shell Oil Company, Incorporated, a Virginia corporation, to Shell Oil Company, a Delaware corporation, Dated September 30, 1949.

The following listed oil, gas and mineral leases and co-lessors' agreements and ratifications (as any of same may have been extended, amended or modified), in, to, affecting or relating to real properties situated in the Parish of Calcasieu, State of Louisiana, which leases, co-lessors' agreements and ratifications are recorded in the Conveyance Records of the office of the Clerk of Court and Ex-officio Recorder of said Parish and are identified by reference to their respective dates, lessors, lessees and recording data, and to which as so recorded reference is hereby made for all purposes: J

| Date | Lessor | Lessee | Recording Data | | |
|----------------|--|---------------------------------|----------------|------|-----------|
| | | | Book | Page | Entry No. |
| June 20, 1929 | Dr. J. D. Tuten | W. B. Conover | 241 | 589 | |
| June 16, 1929 | Ferdinand Hyde et ux | Frank W. Bennett | 242 | 133 | |
| May 19, 1938 | Calcasieu National Bank in Lake Charles, in Liquidation, et al | Shell Petroleum Corporation | 309 | 166 | |
| Jan. 21, 1947 | J. E. Leger | Shell Oil Company, Incorporated | 124 | 160 | |
| Mar. 16, 1948 | Morous Leger | Ditto | 436 | 121 | |
| Mar. 24, 1948 | Mrs. Lillie Corbello, et al | Ditto | 435 | 242 | |
| Sept. 13, 1945 | Marous Leger | Ditto | 391 | 28 | |
| Mar. 11, 1947 | Quatre Parish Company, Incorporated | John J. Doyle | 418 | 489 | |
| Apr. 15, 1947 | Horace R. Austin et al | Shell Oil Company, Incorporated | 432 | 304 | |
| Mar. 18, 1947 | R. R. Bishop | J. A. Bonham | | | 363921 |
| Mar. 28, 1947 | Edgewood Land and Logging Company, Limited | Shell Oil Company, Incorporated | 416 | 561 | |
| Apr. 2, 1947 | Geo. P. Buhler | G. L. Paret | 417 | | 366330 |
| Apr. 2, 1947 | Columbus Treme | " " " | 417 | | 450 |
| Apr. 2, 1947 | Edgewood Land and Logging Company, Limited | J. A. Bonham | | | 366553 |
| Mar. 27, 1947 | G. Allen Kimball | " " " | | | 366547 |
| Apr. 3, 1947 | George Bryan Welch, Sr. | J. A. Bonham | | | 366549 |
| Apr. 2, 1947 | Iva Welch Humphreys | " " " | | | 366552 |
| Apr. 2, 1947 | Vina Welch Rembert | " " " | | | 366551 |
| Apr. 7, 1947 | Mattie Welch Bloodworth | " " " | | | 366550 |
| Apr. 14, 1947 | The Mayo Realty Company, Incorporated | John J. Doyle | | | 366318 |
| Mar. 20, 1947 | Mrs. Catherine Lambkin Cross | J. A. Bonham | | | 366548 |
| Mar. 26, 1947 | Mrs. J. O. Modisette | " " " | | | 366662 |
| Apr. 10, 1947 | Hazel Welch Holbrook | " " " | | | 366664 |
| Apr. 10, 1947 | John L. Welch | " " " | | | 366665 |
| Apr. 2, 1947 | Myrtle Welch | " " " | | | 367356 |
| May 26, 1947 | Xeter Realty, Limited, in Liquidation, et al | " " " | | | 369371 |
| Apr. 18, 1947 | Foreign Mission Board of Southern Baptist Convention | " " " | 423 | 305 | |
| July 22, 1947 | William Young Quisenberry, et al | " " " | 423 | 378 | |
| May 13, 1947 | May Martin et al | Shell Oil Company, Incorporated | 420 | 485 | |
| Apr. 30, 1947 | Erwin Heirs, Incorporated | Ditto | 419 | 458 | |
| Feb. 28, 1948 | C. A. McFatter | John J. Doyle | 431 | 623 | |
| Mar. 1, 1948 | W. W. Bishop | " " " | 434 | 203 | |
| Feb. 28, 1948 | D. Emmet Moore | " " " | 435 | 74 | |
| Mar. 1, 1948 | Margaret Moore et al | " " " | 433 | 487 | |

SCHEDULE I (Continued)
Calcasieu Parish, Louisiana

| Date | Lessor | Lessee | Book | Page | Entry No. |
|----------------|--|------------------------------------|------|------|-----------|
| Mar. 1, 1948 | Thomas M. Moore | John J. Doyle | | | 390141 |
| Mar. 1, 1948 | John D. Moore | " " " | | | 390144 |
| Feb. 28, 1948 | D. J. McFatter | " " " | 433 | 473 | |
| Mar. 1, 1948 | Margaret L. A. Perkins
et al | " " " | 433 | 479 | |
| Mar. 1, 1948 | Delma Perkins
Gunselmann | John J. Doyle | 431 | 618 | |
| Mar. 1, 1948 | Huey Perkins | " " " | | | 390414 |
| Mar. 29, 1948 | Patsy Ruth Perkins
Hyatt | " " " | 434 | 525 | |
| Mar. 2, 1948 | Dalla Mae C. Reed
et al | " " " | | | 389959 |
| Feb. 28, 1948 | Daisy Platts Kanouse | " " " | | | 389965 |
| Feb. 28, 1948 | R. L. Richard | " " " | | | 389961 |
| Mar. 1, 1948 | Addie M. Hodges | " " " | | | 389963 |
| Mar. 1, 1948 | Frank Field, et al | " " " | 435 | 82 | |
| Mar. 2, 1948 | Mrs. Bessie Watson | " " " | 434 | 210 | |
| Mar. 4, 1948 | Industrial Lumber
Company, Incorporated | Shell Oil Company,
Incorporated | 436 | 554 | |
| Mar. 9, 1948 | Byron Russell | John J. Doyle | | | 390143 |
| Apr. 13, 1948 | Almon E. Sims | " " " | 435 | 526 | |
| Mar. 4, 1947 | Floyd P. Stutsman | Sid W. Richardson,
Incorporated | 423 | 81 | |
| Mar. 5, 1947 | Mrs. Oralene LeBleu | Ditto | 423 | 86 | |
| Dec. 29, 1947 | Mrs. Elaine Pujo
Reilly, et al | Ditto | 431 | 226 | |
| Sept. 17, 1947 | George Baillio | Ditto | 429 | 283 | |
| May 8, 1947 | Mrs. Oralene LeBleu | Ditto | 429 | 279 | |
| May 8, 1947 | Nason LeBleu | Ditto | 429 | 287 | |
| May 16, 1947 | Mrs. Helen Weber
McGehee | Rowland A. Pries | 421 | 279 | |
| Feb. 25, 1946 | R. Benoit | " " " | 399 | 30 | |
| Oct. 1, 1948 | Albert Clifton, et al | John J. Doyle | | | 413257 |
| Oct. 1, 1948 | " " " " | " " " | | | 407587 |
| Oct. 4, 1948 | Seymour J. Iles | " " " | | | 407589 |
| Oct. 4, 1948 | " " " | " " " | | | 410757 |
| Oct. 4, 1948 | " " " | " " " | | | 413256 |
| Oct. 6, 1948 | Mrs. Emma Guidry
Dossett, et al | " " " | | | 409341 |
| Oct. 6, 1948 | J. L. Dossett, et ux | Shell Oil Company,
Incorporated | 453 | 431 | |
| Oct. 6, 1948 | Mrs. Jerushe Lyons
Nelson | John J. Doyle | | | 409340 |
| Oct. 6, 1948 | Mrs. Anna Lyons Layton | " " " | | | 409342 |
| Oct. 7, 1948 | Mrs. Alice Sparks
Lyons, et al | " " " | | | 410100 |
| Oct. 7, 1948 | Mrs. Grace Lyons
Harris | " " " | | | 410756 |
| Mar. 19, 1948 | R. E. Gillson | C. A. Storer | 435 | 325 | |

SCHEDULE I (Continued)
Calcasieu Parish, Louisiana

| Date | Lessor | Lessee | Book | Recording Page | Data Entry No. |
|----------------|--|---------------------------------|------|----------------|----------------|
| May 4, 1948 | Louisiana Canal Company, Incorporated | Shell Oil Company, Incorporated | 438 | 165 | |
| Sept. 13, 1945 | Mrs. Iris Hebert Leger, et al | Ditto | 390 | 537 | |
| May 19, 1938 | Calcasieu National Bank in Lake Charles, et al | Shell Petroleum Corporation | 309 | 166 | |

X SCHEDULE II

Annexed to and Made Part of a Deed by Shell Oil Company, Incorporated, a Virginia Corporation, To Shell Oil Company, a Delaware Corporation, Dated September 30, 1949.

All properties real, personal and mixed, situated in the Parish of Calcasieu, State of Louisiana, in, to, affecting or relating to which any right, title or interest was transferred, conveyed or reserved to Shell Oil Company, Incorporated (under its present or one of its former corporate names), by or under any of the following listed instruments recorded in the Conveyance Records of the office of the Clerk of Court and Ex-officio Recorder of said Parish, which instruments are identified by reference to their respective dates, grantors or lessors and recording date, and to which instruments as so recorded reference is hereby made for more particular descriptions of such properties: ✓

| Date | Grantor or Lessor | Book | Recording Page | Data Entry No. |
|---------------|--|------|----------------|----------------|
| July 29, 1933 | Mitchell Le Bleu | 266 | 101 | |
| June 10, 1933 | " " " | 226 | 31 & 33 | |
| June 10, 1933 | The Sweet Lake Land & Oil Company | 266 | 33 | |
| June 28, 1933 | Yount-Lee Oil Company | 266 | 34 & 35 | |
| June 9, 1933 | C. R. Wait | 266 | 35 | |
| June 22, 1933 | Thompson Land Company, Incorporated | 266 | 36 & 37 | |
| June 10, 1933 | L. Kaufman, E. R. Kaufman & Bessie Mayer | 266 | 37 | |
| June 21, 1933 | Chemille Breaux | 266 | 38 & 39 | |
| June 21, 1933 | Chemille Breaux | 266 | 79 | |
| July 7, 1933 | Mary C. Lane, Trustee under will of J. A. Bent | 265 | 253 | |
| June 9, 1933 | Dores Le Bleu | 266 | 39 | |
| June 16, 1933 | W. B. Gabbert | 266 | 39 & 40 | |
| June 12, 1933 | D. D. Mims | 266 | 40 | |
| June 18, 1933 | E. P. Franklin | 266 | 43 & 44 | |
| June 17, 1933 | E. M. Edmundson | 266 | 44 | |
| June 24, 1933 | Farmer's Land & Canal Company, Incorporated | 266 | 45 & 47 | |
| June 28, 1933 | Gene Natali et al | 266 | 47 | |
| June 28, 1933 | James E. Fournier | 266 | 48 - 49 | |
| June 22, 1933 | Arthur Mac Ashan | 266 | 50 & 51 | |

SCHEDULE II (Continued)

Calcasieu Parish, Louisiana

| Date | Grantor or Lessor | Book | Recording Data | |
|---------------|--|-------|----------------|-----------|
| | | | Page | Entry No. |
| June 19, 1933 | Nason P. Erwin | 266 | 58 & 59 | |
| June 19, 1933 | Nason P. Erwin | 266 | 90 & 91 | |
| June 24, 1933 | Irwin L. Smith
individually and as Attorney-
in-fact for Calvin A., Ira E.
and Maney M. Smith | 266 | 51 | |
| June 16, 1933 | Mrs. Eulalie Romero and
Gerard Romero | 266 | 52 | |
| June 2, 1933 | Geo. T. Rock | 266 | 54 | |
| June 26, 1933 | Jones, Malloy & Foster
Farms, Incorporated | 266 | 53 | |
| July 1, 1933 | Mrs. Addie D. Thrall | 265 | 254 | |
| July 7, 1933 | B. H. Thrall | 265 | 254 & 255 | |
| June 26, 1933 | Foster Real Estate Company,
Incorporated | 266 | 55 | |
| June 18, 1933 | V. J. Verret | 266 | 56 & 57 | |
| June 27, 1933 | Prairie Land & Canal Company,
Incorporated | 266 | 57 | |
| July 3, 1933 | Albert E. Carlson | 264 | 591 | |
| June 19, 1933 | G. O. Noble | 266 | 59 | |
| July 13, 1933 | G. H. Payne, Attorney-in-fact
for G. M. Torman and Lori M. Payne | 266 | 60 | |
| June 24, 1933 | E. N. Hazzard | 266 | 91 | |
| June 24, 1933 | " " " | 266 | 61 & 62 | |
| July 11, 1933 | S. M. & Sophie R. Samuels | 266 | 62 | |
| June 20, 1933 | Lena G. Miller et al | 266 | 63 | |
| May 28, 1935 | Matilda Geddings Gray et al | 278 | 430 | |
| May 11, 1938 | " " " " " | 307 | 539 | |
| June 27, 1933 | Amanda Keno et al | 266 | 66 & 67 | |
| June 27, 1933 | Jacob Haymark | 266 | 66 & 67 | |
| June 22, 1933 | Mrs. Josephine Ford and
William C. Braden | 266 | 68 & 69 | |
| June 22, 1933 | Abraham J. Christman | 266 | 69 | |
| June 21, 1933 | Mrs. Mary E. Orleans | 266 | 70 & 71 | |
| June 19, 1933 | P. H. Theard | 266 | 71 | |
| July 10, 1933 | Mayo Realty Company,
Incorporated | 266 | 74 | |
| June 20, 1933 | Axel H. Newman individually
and as Attorney-in-fact for
heirs of O. H. Newman | 266 | 73 & 74 | |
| July 3, 1933 | V. J. Johnson and Edith Johnson | 266 | 89 | |
| July 14, 1933 | J. A. Partridge | 266 | 100 | |
| July 14, 1933 | Theo. A. Dees | 266 | 89 | |
| July 8, 1933 | ✓ " " " | ✓ 266 | 100 | |
| June 30, 1933 | " " " | 266 | 88 & 89 | |
| July 13, 1933 | H. H. Hebert | 266 | 87 | |
| June 29, 1933 | J. A. Butcher | 266 | 86 & 87 | |

SCHEDULE II (Continued)
Calcasieu Parish, Louisiana

| Date | Grantor or Lessor | Book | Recording Data
Page | Entry No. |
|---------------|---|------|------------------------|-----------|
| June 26, 1933 | Jones, Malloy & Foster Farms,
Incorporated | 266 | 85 | |
| June 30, 1933 | Matilda Geddings Gray et al | 266 | 65 | |
| June 23, 1933 | Raymond Vincent | 266 | 84 | |
| June 28, 1933 | Mary Higgins | 266 | 84 | |
| June 24, 1933 | Joseph W. Hebert and
Thomas Hebert | 266 | 83 | |
| July 5, 1933 | I. R. Murray | 266 | 92 | |
| June 24, 1933 | Dr. T. H. Watkins | 266 | 82 | |
| June 23, 1933 | Ari Thommasi | 26 | 81 & 82 | |
| June 24, 1933 | Irwin L. Smith, individually
and as Attorney-in-fact for
Calvin A., Ira E., Mary M. Smith | 266 | 80 | |
| June 28, 1933 | Sweet Lake Land & Oil Company,
Incorporated | 266 | 78 | |
| June 26, 1933 | Frank C. Wait and
Mrs. Ruby O'Rourke | 266 | 76 & 77 | |
| June 26, 1933 | B. T. Wait | 266 | 77 | |
| July 7, 1933 | Mrs. John Storer, testamentary
executrix of the Estate of John Storer | 266 | 75 | |
| June 8, 1934 | Ferdinand Heyd | 252 | 391 | |
| Oct. 1, 1934 | " " | 272 | 150 | |
| May 30, 1945 | Matilda Geddings Gray et al | | | 326036 |
| July 17, 1933 | Mrs. Lela Tuten et al | 265 | 20 | |
| Feb. 13, 1933 | Seaman A. Mayo | 263 | 460 | |
| Mar. 28, 1934 | Alex. H. Newman | 253 | 267 | |
| Aug. 9, 1933 | R. L. Myers | 265 | 364 | |
| May 5, 1934 | W. C. Peters | 250 | 453 | |
| Apr. 1, 1945 | Minerva Petroleum Corporation | 402 | 221 | |
| Apr. 1, 1945 | Minerva Petroleum Corporation | 383 | 561 | |
| Jan. 7, 1949 | Rotex Oil Company | 452 | 460 | |
| Jan. 7, 1949 | Rotex Oil Company | 452 | 462 | |
| Jan. 3, 1949 | Montex Petroleum Corporation | 455 | 190 | |
| Jan. 3, 1949 | Montex Petroleum Corporation | 455 | 192 | |
| Nov. 26, 1948 | M. L. Sides Hunter and
Paul B. Hunter | 455 | 190 | |
| Nov. 26, 1948 | M. L. Sides Hunter and
Paul B. Hunter | 452 | 461 | |
| June 5, 1933 | Jacob Haymark et al | 265 | 65 | 156589 |
| June 5, 1933 | Jacob Haymark et al | 265 | 64 | |
| May 12, 1948 | Jacob Haymark et al | 239 | 92 | |
| June 4, 1947 | Ferdinand Heyd | 308 | 502 | |
| May 6, 1938 | Ferdinand Heyd | 308 | | 226371 |
| Apr. 1, 1939 | Shell Pipeline Company | 319 | 207 | |
| Apr. 1, 1939 | Shell Pipeline Company | 319 | 208 | |
| Apr. 1, 1939 | Shell Pipeline Company | 319 | 217 | |

SCHEDULE II (Continued)
Calcasieu Parish, Louisiana

| Date | Grantor or Lessor | Book | Recording Data Page | Entry No. |
|---------------|--|------|---------------------|-----------|
| Apr. 1, 1939 | Shell Pipeline Company | 322 | 306 | |
| Feb. 18, 1946 | Louisiana Western Lumber Company, Incorporated | 457 | 580 | |
| Nov. 14, 1940 | Louisiana Western Lumber Company, Incorporated | 331 | 237 | |
| Feb. 10, 1944 | Mrs. Lela Tuten et al | 368 | 23 | |
| Aug. 8, 1949 | John Heyd et al | 460 | 231 | |

FILED OCTOBER 5, 1949. FILE NO. 441081.
RECORDED OCTOBER 11, 1949.

J. Lee

DEPUTY CLERK & EX OFFICIO RECORDER

~~~~~ LV ~~~~~

CLARA FRUGE  
TO  
GOLDMAN LEDOUX, ET UX  
WARRANTY DEED  
&  
&  
& STATE OF LOUISIANA:  
&  
& PARISH OF CALCASIEU: KNOW ALL MEN BY THESE PRESENTS:  
&  
& THAT CLARA FRUGE, born LeBleu of the Parish of  
&  
& Calcasieu, State of Louisiana, for and in consideration of the

sum of Two Hundred Fifty and No/100 (\$250.00) Dollars to her in hand paid by GOLDMAN LEDOUX and VEVIA LEDOUX, husband and wife have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY, with full subrogation to all of her rights and actions of warranty against all former owners and vendors, unto the said Goldman LeDoux and Vevia LeDoux of the Parish of Calcasieu, and State of Louisiana, all that certain lot or parcel of land situate in the

All of her undivided interest in and to the following described property situated in the Parish of Calcasieu, State of Louisiana, to-wit:

The West Half of the Southwest Quarter (W $\frac{1}{2}$  of SW $\frac{1}{4}$ ) of Section Fourteen (14) and the Northeast Quarter of Southeast Quarter of Section fifteen (15), Township nine (9) South, Range seven (7) West, Louisiana Meridian.

Vendor reserves and retains one-half of all oil, gas and other minerals which she owns and to which she is entitled as owner in indivision.

Vendor further declares that she acquired said property by inheritance from her grandmother, Mrs. Maud LeBleu

TO HAVE AND TO HOLD the above described, together with all and singular, the rights and appurtenances thereto in anywise belonging, to the said purchasers and to their heirs and assigns forever; and she does hereby bind herself, her heirs, executors and administrators, to WARRANT AND FOREVER DEFEND, all and singular, the said premises unto the said Goldman LeDoux and Vevia LeDoux, their heirs and assigns, against any person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness her hand at Lake Charles, Louisiana, in the presence of Elodie Shattuck and Betty Sue Collier lawful witnesses, on this 5th day of October Anno Domini One Thousand Nine Hundred Forty-nine 1949. /s/ Mrs. Clara Fruge ATTEST: Elodie Shattuck, Betty Sue Collier

STATE OF LOUISIANA:  
PARISH OF CALCASIEU:

BEFORE ME, Vance Plauche, Notary Public in and for said Parish and State, this day personally appeared Clara Fruge to me personally known to be the identical person whose name



OIL, GAS AND MINERAL LEASE

5059

37  
11

6.75  
1.00

THIS AGREEMENT, entered into effective as of June 6th CONVEYANCE 19 51

by and between Willard E. Walker, husband of Elizabeth Manget, who was his wife  
when hereinafter described property was acquired, and Calcasieu Real  
Esate & Oil Co., Inc., a Louisiana Corporation, herein represented by  
E. Arthur Knapp, its President duly authorized,

herein called "Lessor" (whether one or more) and H. Lloyd Hawkins, husband of Gertrude Hawkins,  
a resident of Jefferson Parish, Louisiana  
hereinafter called "Lessee", witnesseth, that:

Lessor, in consideration of the sum of Six Hundred Seventy and no/100 (\$ 670.00 ),  
hereby leases and lets unto Lessee, the exclusive right to enter upon and use the land hereinafter described for the exploration for, and production of oil,  
gas, sulphur and all other minerals, together with the use of the surface of the land for all purposes incident to the exploration for and production, owner-  
ship, possession and transportation of said minerals (either from said land or acreage pooled therewith), and the right of ingress and egress to and from  
said lands at all times for such purposes, including the right to construct, maintain and use roads and/or canals thereon for operations hereunder or in  
connection with similar operations on adjoining land, and including the right to remove from the land any property placed by Lessee thereon and to  
draw and remove casing from wells drilled by Lessee on said land; the land to which this lease applies and which is affected hereby being situated in  
Calcasieu & Jefferson Davis Parish, Louisiana, and described as follows, to-wit:

CALCASIEU PARISH

- Section 16 - Southwest Quarter of Southwest Quarter 40 acres
- Section 17 - Southeast Quarter of Northwest Quarter 40 acres
- East Half of Southwest Quarter 80 acres
- The Southeast Quarter of Southeast Quarter  
and the East Half of East Half of Southwest  
Quarter of Southeast Quarter, being all of  
South Half of Southeast Quarter lying east  
of property of Fred Weber 50 acres

JEFFERSON DAVIS PARISH

- Section 20 - Northeast Quarter of Northwest Quarter 40 acres
- Northeast Quarter 160 acres
- North Half of the South Half 160 acres
- Section 21 - West Half of the Northwest Quarter 80 acres
- North Half of Northwest Quarter of South-  
west Quarter 20 acres
- 670 acres

All being located in Township Eleven South, Range Five West.

Notwithstanding any other provision in this lease, unless operations for the drilling of a well within an area described in a private agreement between Lessor and Lessee dated June 6, 1951 have been commenced in accordance with said private agreement, this lease shall terminate.

All land owned by the Lessor in the above mentioned Section or Sections or Surveys, all property acquired by prescription and all accretion or alluvion attaching to and forming a part of said land are included herein, whether properly or specifically described or not. Whether or not any reduction in rentals shall have previously been made, this lease, without further evidence thereof, shall immediately attach to and affect any and all rights, titles, and interests in the above-described land, including reversionary mineral rights, hereafter acquired by or inuring to Lessor and Lessor's successors and assigns.

For the purpose of calculating the payments hereinafter provided for, the above described land is estimated to comprise 670 acres, whether it actually comprises more or less.

This lease shall be for a term of one year ~~year~~ and no months from the date hereof (called "primary term") and so long thereafter as oil, gas or some other mineral is being produced or drilling operations are conducted either on this land or on acreage pooled therewith, all as hereinafter provided for; all subject to the following conditions and agreements:

1. This lease shall terminate on June 6, 19 52, unless on or before said date the Lessee either (1) commences operations for the drilling of a well on the land, or on acreage pooled therewith, in search of oil, gas or other minerals and thereafter continues such operations and drilling to completion or abandonment; or (2) pays to the Lessor a rental of

~~Dollars (\$ ) per acre for all or that part of the land which Lessee elects to continue to hold hereunder, which payment shall maintain Lessee's right in effect as to such land without drilling operations for one year from the date last above mentioned; and Lessee may continue to maintain the rights granted without drilling operations for successive twelve months' periods (during the primary term) by paying Lessor, on or before the beginning of such respective periods. Dollars (\$ ) per acre for all or that part of the land held hereunder. Payments may be made to the Lessor or may be mailed or delivered for deposit to Lessor's credit~~

~~in the Bank of which Bank or its successor shall continue to be the depository for such rentals as the representative of Lessor and Lessor's successors and assigns; and~~

KA + S

the death or incapacity of Lessor shall not terminate or affect Lessee's right to continue to deposit all payments in said depository bank or its successor. The mailing of the check or draft of Lessee or Lessee's successors to Lessor at the address set forth above or to the said Bank on or before the rental paying date shall be considered as payment of rental and operate to maintain Lessee's right in force and effect. Should said Bank fail or liquidate, or if it should for any reason fail or refuse to accept Lessee's check or draft, the attempted payment in the manner above provided shall not be thereby rendered ineffective and Lessee shall not be in default for failure to pay said rental until thirty (30) days after Lessor shall have furnished Lessee with a recordable instrument naming a new depository; and this provision shall apply to all such new and subsequently named depositories.

**Subject to the provisions of a pooling agreement of June 6, 1951, pertaining to the Law-kins Hayes Unit**

2. Lessee at its option, is hereby given the right and power without any further approval from Lessor to pool or combine the acreage, royalty, or mineral interest covered by this lease, or any portion thereof, with other land, lease or leases, royalty and mineral interests in the immediate vicinity, thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises or to comply with the spacing or unitization order of any Regulatory Body of the State of Louisiana or the United States having jurisdiction. The term "Regulatory Body" shall include any governmental tribunal or group (civil or military) issuing orders governing the drilling of wells or the production of minerals, irrespective of whether said orders are designed to promote conservation or to conserve materials or equipment for National Defense or similar purposes. Such pooling shall be of tracts which will form one contiguous block and for each unit and the unit or units so created shall not exceed substantially forty (40) acres each, surrounding each oil well and substantially one acre each for each gas or gas-distillate well, unless a larger spacing pattern or larger drilling or producing units (including a field or pool unit) have been fixed and established by an order of a Regulatory Body of the State of Louisiana or of the United States, in which event the unit or units may be of the size fixed by said order. Lessee shall execute and record in the Conveyance Records of the Parish in which the land herein leased is situated an instrument identifying and describing the pooled acreage; and upon such recordation, the unit or units shall thereby become effective. In lieu of the royalties elsewhere herein specified and subject to the provisions of Paragraph 10 hereof, Lessor shall receive from production from the unit so pooled only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein, bears to the total acreage so pooled in the particular unit involved. Drilling or reworking operations on or production of oil, gas, sulphur or other minerals from land included in such pooled unit shall have the effect of continuing this lease in force and effect during or after the primary term as to all of the land covered hereby (including any portion of said land not included in said unit) whether or not such operations be on or such production be from land covered hereby. Any unit formed by Lessee hereunder may be created either prior to the drilling or after the completion of the unit well; and separate units may be created for oil and for gas even though the areas thereof overlap. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any acreage or lease upon which there is or may be an adverse claim; and Lessee may also re-form any unit to conform with an order of a Regulatory Body issued after said unit was originally established. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall identify and describe the lands included in the unit as revised and shall be recorded in conveyance records of the Parish where the lands herein leased are situated.

3. Lessee may, at any time prior to or after the discovery and production of minerals on the land, execute and deliver to Lessor or place of record a release or releases of any portion or portions of the lands and be relieved of all requirements hereof as to the land surrendered, and, during the primary term of this lease, shall have the right to retain around each well then producing oil, gas or other minerals or being drilled or worked on the number of acres fixed and located by the spacing or unit order of any Regulatory Body of the State of Louisiana or of the United States under which said well is being drilled or produced, or if said well has been or is being drilled on a unit pooled by Lessee as provided herein, then Lessee may retain all of the acreage comprising said pooled unit; and if no spacing order has been issued nor any pooled unit established, then Lessee shall have the right to retain forty (40) acres surrounding each well then producing or being drilled or worked on, such forty acres to be in as near a square form as is practicable.

4. After beginning operations on the lands or on acreage pooled therewith (or with any part thereof) and prior to the discovery and production of minerals in paying quantities, Lessee may maintain the rights granted during and after the primary term by continuing such operations without the lapse of more than ninety (90) days between abandonment of work on one well and beginning operations for drilling another, and during the primary term of this lease shall have the right to abandon work on one well and commence operations for drilling another, in an effort to restore production of oil, gas or other minerals, or to produce more than one mineral, or to produce any mineral in paying quantities and with reasonable diligence being sufficient to maintain all of Lessee's rights.

5. If, prior to or after the discovery of oil on the lands held hereunder, a well producing oil in paying quantities for thirty (30) consecutive days is brought in on adjacent lands not owned by the Lessor and not forming a pooled unit containing a portion of the lands described herein, and within 330 feet of any line of the land held hereunder, Lessee, in order to maintain the rights granted, shall thereafter begin and prosecute with reasonable diligence the drilling of a well in an effort to discover oil thereby and to protect the land held hereunder from drainage.

6. After the discovery and production of oil, gas or any other mineral in paying quantities, either on the leased premises or on lands pooled therewith, the rights granted shall be maintained in effect during and after the primary term and without the payment of the rentals hereinabove provided for so long as oil, gas or some other mineral is being produced in paying quantities, or Lessee is carrying on operations with reasonable diligence looking to the production thereof. It is provided, however, that if, after the discovery and production of oil, gas or other minerals in paying quantities, the production thereof should cease from any cause this lease shall terminate unless Lessee resumes or restores such production, or commences additional drilling, reworking or mining operations within ninety (90) days thereafter and continues such operations without the lapse of more than ninety (90) days between abandonment of work on one well and commencement of reworking operations or operations for the drilling of another, in an effort to restore production of oil, gas or other minerals. Lessee shall not be required to produce more than one mineral, the production of any one mineral in paying quantities and with reasonable diligence being sufficient to maintain all of Lessee's rights.

7. Subject to the provisions of Paragraph 2 and 10 hereof the royalties to be paid by Lessee are: (a) On oil and other liquid hydrocarbons one-eighth (1/8th) of that produced and saved from the land and not used for fuel in conducting operations on the property (or on acreage pooled therewith) or in treating said oil to make it marketable; (b) one-eighth (1/8th) of the market value of the gas sold or used by Lessee in operations not connected with the land leased or any pooled unit containing a portion of said land; (c) one-eighth (1/8th) of the value at the mouth of the well of casinghead gas used in manufacturing casinghead gasoline to be computed by methods recognized in the industry; (d) One Dollar (\$1.00) for each ton of 2240 pounds of sulphur, payable when marketed; and (e) one-eighth (1/8th) of the value of all other minerals mined and marketed. Oil royalties shall be delivered to Lessor free of expense at Lessor's option in tanks furnished by Lessor at the well or to Lessor's credit in any pipe line connected therewith. In the event Lessor does not furnish tanks for such royalty oil and no pipe line is connected with the well, Lessee may sell Lessor's royalty oil at the best market price obtainable and pay Lessor the price received f. o. b. the leased property, less any severance or production tax imposed thereon.

Lessee shall have the right to inject gas, water, brine or other fluids into sub-surface strata, and no royalties shall be due on any gas produced by Lessee and injected into sub-surface strata through a well or wells located either on the land or on a unit comprising a portion of the land.

8. The Lessee shall be responsible for all damages to timber and growing crops of Lessor caused by Lessee's operations.

9. All provisions hereof shall extend to and bind the successors and assigns (in whole or in part) of Lessor and Lessee; but no change in the ownership of the land or any interest therein or change in the capacity or status of Lessor, whether resulting from sale, inheritance or otherwise, shall impose any additional burden on Lessee nor shall any change in ownership or in the status or capacity of Lessor impair the effectiveness of payments made to Lessor herein named unless the then record owner of said lease shall have been furnished, thirty (30) days before payment is due, with certified copy of recorded instrument or judgment evidencing such transfer, inheritance or sale or evidence of such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance. In the event of the assignment of this lease, either as to a segregated portion of the land or as to an undivided interest in the lease contract, delay rentals shall be apportioned among the several leasehold owners according to the surface area or the undivided interest of each, and default in payment by one shall not affect the rights of others.

only to the extent of the return of  
any monies received hereunder, but

10. Lessee hereby warrants ~~that it has~~ the title to said land ~~and~~ agrees that Lessee may, at its option, ~~pay~~ large any tax, mortgage or other lien upon the land and be subrogated thereto and have the right to apply to the repayment of Lessee any ~~taxes~~ or royalties accruing hereunder. If Lessor owns less than the entire undivided interest in all or any portion of the lands or mineral rights relating thereto (whether such interest is herein specified or not) rentals and royalties as to the land in which an interest is outstanding in others shall be reduced proportionately to the interest of the Lessor therein, but the failure of Lessee to reduce rentals shall not affect Lessee's rights to reduce royalties; and all outstanding royalty rights shall be deducted from the royalties herein provided for. Lessee shall have the right to purchase a lease or leases from others to protect its leasehold rights and shall not thereby be held to have disputed Lessor's title; and in the event Lessor's title or an interest therein is claimed by others, Lessee shall have the right to withhold payment of royalties or to deposit such royalties in the registry of the Court until final determination of Lessor's rights.

11. In the event that Lessor at any time considers that operations are not being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if legally required to conduct operations in order to maintain the lease in force, shall have sixty (60) days after receipt of such notice in which to commence the necessary operations to comply with the requirements hereof.

12. If the land herein described is owned in divided or undivided portions by more than one party, this instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners, join in the granting of this lease.

13. The requirements hereof shall be subject to any State and/or Federal Law or order regulating operations on the land.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

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

WITNESSES:

*Ahene Floyd*  
*Carol Hurley*

*Willard E. Walker*  
*Walker*

*Albert J. Jhr*  
*E. A. Riquelme*

W. H. Walker  
CALCASIEU REAL ESTATE & OIL CO., INC.

By *[Signature]*  
S. Arthur Knapp

OFFICE OF CLERK OF COURT  
AUG 29 2 21 PM '51  
CALCASIEU PARISH LOUISIANA

CALIFORNIA

STATE OF CALIFORNIA )  
PARISH (OR COUNTY) OF SANTA BARBARA )  
On this August 51 day of 1951, before me personally appeared WILLIAM E. WALKER

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC

In and for the County of Santa Barbara, State of California  
My Commission Expires Nov. 19, 1951

Elinor Coy  
Notary Public

STATE OF \_\_\_\_\_ )  
PARISH (OR COUNTY) OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed the foregoing instrument, and acknowledged that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

Notary Public.

STATE OF LOUISIANA )  
PARISH (OR COUNTY) OF \_\_\_\_\_ )

BEFORE ME, the undersigned Notary Public, on this day personally appeared \_\_\_\_\_ who, being by me duly sworn, stated under oath that \_\_\_\_\_ was one of the subscribing witnesses to the foregoing instrument and that the same was signed by \_\_\_\_\_

(Lessor, as above mentioned) in \_\_\_\_\_ presence and in the presence of \_\_\_\_\_ the other subscribing witness.

SWORN TO AND SUBSCRIBED before me \_\_\_\_\_, 19\_\_\_\_

Notary Public in and for \_\_\_\_\_ Parish, Louisiana.

~~STATE OF LOUISIANA )  
PARISH (OR COUNTY) OF \_\_\_\_\_ )~~

~~BEFORE ME, the undersigned Notary Public, on this day personally appeared \_\_\_\_\_ who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument and that the same was signed by W. E. Walker~~

~~(Lessor, as above mentioned) in his presence and in the presence of \_\_\_\_\_ the other subscribing witness.~~

~~SWORN TO AND SUBSCRIBED before me at Dallas, Texas, June, 19\_\_\_\_~~

~~Notary Public in and for \_\_\_\_\_ Parish, Louisiana.~~

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA )  
PARISH (OR COUNTY) OF CALCASIEU )

On this 15 day of August, 1951, before me appeared S. Arthur Knapp to me personally known, who, being by me duly sworn, did say that he is the President

of the Calcasieu Real Estate & Oil Co., Inc. and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and said S. Arthur Knapp acknowledged said instrument to be the free act and deed of said corporation.

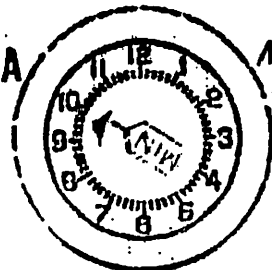
Rama C. Dear  
Notary Public.



THE STATE OF LOUISIANA  
PARISH OF CALCASIEU  
I hereby certify that the within Document was this day recorded in my office in Book 591 of Convey of page 577 at 5 o'clock P.M. on the 15 day of August, A.D., 1951.  
This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ of the \_\_\_\_\_ Court and \_\_\_\_\_ of the \_\_\_\_\_ Parish of said Court and \_\_\_\_\_ of the \_\_\_\_\_ Parish of said Court.  
Dated \_\_\_\_\_  
No. of Ages \_\_\_\_\_  
Term \_\_\_\_\_  
By \_\_\_\_\_  
Deputy Clerk of said Court and \_\_\_\_\_ of the \_\_\_\_\_ Parish of said Court.

776505

287079



L-3509

SUBLEASE

STATE OF LOUISIANA  
PARISHES OF CALCASIEU  
AND JEFFERSON DAVIS

**CONVEYANCE**

1942  
JUN  
17

*in Calcasieu*

*2.00  
Olyd.  
B  
77*

KNOW ALL MEN BY THESE PRESENTS: THAT, for valuable consideration received, Shell Oil Company, Incorporated, formerly Shell Petroleum Corporation, hereinafter called "SHELL", does hereby sub-lease, subject to the reservations hereinafter set forth, unto Gulf Refining Company, its successors and assigns, hereinafter called "GULF", all of the right, title and interest of SHELL in and to the following described oil, gas and mineral lease insofar as said lease covers the following described tracts of land situated in Calcasieu and Jefferson Davis Parishes, Louisiana, to-wit:

Oil, gas and mineral lease, dated May 19, 1938, recorded in Conveyance Record No. 309, at page 166, of the Conveyance Records of Calcasieu Parish, and in Conveyance Record No. 78, at page 570, of the Conveyance Records of Jefferson Davis Parish, Louisiana, between Calcasieu National Bank in Lake Charles et al, as lessors, and Shell Petroleum Corporation, as lessee, insofar as said lease covers the following described lands situated in Calcasieu and Jefferson Davis Parishes, Louisiana:

NE $\frac{1}{4}$  NE $\frac{1}{4}$  and SE $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 11; SE $\frac{1}{4}$  SW $\frac{1}{4}$  and SW $\frac{1}{4}$  SW $\frac{1}{4}$ , less west 10 acres, of Section 12, township 11 South, range 6 West;

SW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 16; SW $\frac{1}{4}$  NW $\frac{1}{4}$ , less 2.34 acres in northeast corner and NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 17; S $\frac{1}{2}$  SE $\frac{1}{4}$  of Section 18; E $\frac{1}{2}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$  and N $\frac{1}{2}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 19; NE $\frac{1}{4}$  NW $\frac{1}{4}$ , NE $\frac{1}{4}$  NE $\frac{1}{4}$  and N $\frac{1}{2}$  SE $\frac{1}{4}$  of Section 20; and Fractional N $\frac{1}{2}$  NW $\frac{1}{4}$ , Fractional NW $\frac{1}{4}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , N $\frac{1}{2}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ , NE $\frac{1}{4}$  SW $\frac{1}{4}$  and an 8-acre tract in N $\frac{1}{2}$  SE $\frac{1}{4}$  SW $\frac{1}{4}$ , Sec. 21 all in township 11 South, range 5 West;

There is reserved to SHELL, its successors and assigns, out of the above sublease, the following:

1- An overriding royalty, free of cost to SHELL, of 1/1024 of all (8/8) of the oil, gas, casinghead gas, and all other minerals in and under and which may be produced from any and all wells upon said tracts sub-leased hereunder; and, in addition,

2- An overriding royalty, free of cost to SHELL, of 111/1024 of all (8/8) of the oil, gas, casinghead gas, and all

*Shell Refg. Corporation*

other minerals produced from the Gulf Refining Company - Calcasieu National Bank well No. 2, located in the SW $\frac{1}{4}$  SE $\frac{1}{4}$  Section 18, T-11S, R-5W, such overriding royalty to continue in force and effect, however, only until the value thereof at the prevailing market price in the field at the time of production, if such production is taken in kind by SHELL, or the proceeds from the sale thereof if not taken in kind by SHELL, or both, together with the value and/or proceeds of SHELL'S 1/1024 overriding royalty provided for above, shall have amounted to the net sum of \$7500.00 over and above and in addition to the amount of all production, excise and severance taxes, treating, separating and all other charges thereon, all of which GULF shall pay. At such time as SHELL shall have received such net sum of \$7500.00, either in value, or in kind, or both, out of SHELL'S 111/1024 and 1/1024 overriding royalties provided for hereknabove (or an overriding royalty of 7/64 of the gross production from said well), SHELL'S 111/1024 overriding royalty provided for in this subparagraph (2) shall terminate.

It is understood and agreed that SHELL shall pay all production, excise and severance taxes on its 1/1024 overriding royalty provided for above, except that during the period of time that SHELL is receiving said sum of \$7500.00 out of production from said well, ~~COGULF~~ shall pay all such taxes on SHELL'S overriding royalty from such well, including such taxes on SHELL'S 1/1024 overriding royalty applicable thereto.

GULF hereby assumes and agrees to comply with all of the express and implied covenants and obligations contained in the above described lease insofar as said lease covers the above described tracts of land.

This sublease is made without warranty of title, either express or implied, and without recourse against SHELL for any portion of the consideration hereunder.

WITNESS EXECUTION, this 28 day of May, 1942, effective as of December 9, 1940.

WITNESSES:

SHELL OIL COMPANY, Incorporated

C. B. Blawie  
W. Ellison

By

A. H. [Signature]  
Attorney in Fact.

(Louisiana)

STATE OF TEXAS )  
COUNTY OF HARRIS )

BEFORE ME, the undersigned authority, on this day personally appeared C. C. Blossom Jr., known to me to be the person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

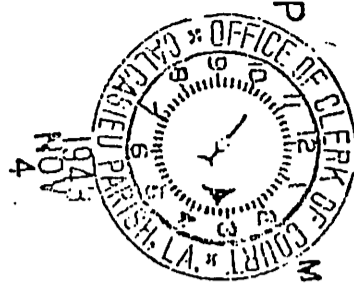
That he personally knows A. E. JAGO and that he saw the said A. E. JAGO sign and execute the foregoing instrument as attorney in fact for and as the free act and deed of SHELL OIL COMPANY, Incorporated, and that he, the said C. C. Blossom Jr., subscribed his name to the same at the same time as an attesting witness, along with W. ELLISOR, the other subscribing witness.

C. C. Blossom Jr.  
Affiant

SWORN TO AND SUBSCRIBED before me this 28 day of May, 1942.

A. Moore  
Notary Public in and for Harris County, Texas.

A. MOORE  
Notary Public, Harris County, Texas



STATE OF LOUISIANA  
PARISHES OF CALCASIEU  
AND JEFFERSON DAVIS

KNOW ALL MEN BY THESE PRESENTS: That,

**CONVEYANCE**

I.

For good and valuable consideration, Shell Oil Company, Incorporated, A Virginia corporation, hereinafter called "SHELL," does hereby transfer and sublease, without warranty of title, express or implied, and subject to the reservations, provisions, and conditions hereinafter set forth, unto Gulf Refining Company, hereinafter called "SUBLESSEE," its successors and assigns, all of the right, title and interest of SHELL in and to the hereinafter described oil, gas and mineral lease, as to the lands hereinafter described and located in Calcasieu and Jefferson Davis Parishes, Louisiana, in so far and only in so far as said lease covers and includes the gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from a "gas well," as hereinafter defined, excepting and reserving all gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from an "oil well," as hereinafter defined, said lease being described as follows, to wit:

Oil, gas and mineral lease, dated May 19, 1938, recorded in the Conveyance Record No. 309, at page 166, of the Conveyance

*Handwritten notes and signatures on the right margin:*  
600  
Eyl  
H  
77  
Gulf Refining Co  
Shell Oil Co  
PC [unclear]



Records of Calcasieu Parish, Louisiana, and in Conveyance Record No. 78, at page 570, of the Conveyance Records of Jefferson Davis Parish, Louisiana, between Calcasieu National Bank in Lake Charles et al, as lessors, and Shell Petroleum Corporation (now called Shell Oil Company, Incorporated), as lessee, in so far as said lease covers the following described lands situated in Calcasieu and Jefferson Davis Parishes, Louisiana, to wit:

Township 11 South, Range 5 West

Section 5: S-1/2 SW-1/4 NW-1/4;  
Section 8: N-1/2 NE-1/4 SW-1/4; SW-1/4 SE-1/4;  
Section 17: SE-1/4 NW-1/4; SE-1/4 SW-1/4;  
SE-1/4 SE-1/4; E-1/2 E-1/2 NE-1/4 SE-1/4;  
E-1/2 E-1/2 SW-1/4 SE-1/4;  
Section 20: W-1/2 NE-1/4; SE-1/4 NE-1/4;  
N-1/2 SW-1/4;  
Section 21: SW-1/4 NW-1/4;

Township 11 South, Range 6 West

Section 1: N-3/4 W-1/2 NW-1/4 SE-1/4;  
Section 12: NW-1/4 NW-1/4 (less railroad right of way);  
Section 13: NE-1/4 NW-1/4;  
Section 2: W-1/2 SW-1/4 SE-1/4 (less railroad right of way)

There are expressly reserved unto SHELL, its successors and assigns, out of this transfer and sublease, the following:

(a) An overriding royalty of 1/5 of all (8/8) of the distillate, condensate and other liquid hydrocarbons in and under and which may be produced from gas wells, as the term "gas well" is hereinafter defined, located on the hereinabove described land, all free of cost of drilling

for, producing, treating and separating same.

(b) An overriding royalty of 1/5 of the market value at the well or wells of all (8/8) of the gas produced from gas wells, as the term "gas well" is hereinafter defined, located on the above described land and sold or used off said land, all free of cost of drilling for, producing, treating and separating same.

(c) Such rights of way and easements granted in said lease as may be necessary or useful to SHELL, its successors and assigns, in operating upon the above described land for the production of oil therefrom, subject to the equal and same right in SUBLESSEE to the use of such rights of way and easements in operating upon said premises for the production of gas therefrom.

It is agreed that any classification as an "oil well" or as a "gas well" which may from time to time be assigned by the Department of Conservation of the State of Louisiana to any well drilled on the land affected by this agreement shall be binding and conclusive upon the parties hereto, and any well so classified as an "oil well" shall, during the time that same is so classified, be defined as an "oil well" for the purposes of this instrument, and any well so classified as a "gas well" shall, during the time that same is so classified, be defined as a "gas well" for the purposes of this instrument. In the absence of any such classification by said

Department of Conservation at any time, an "oil well" shall be defined as any well producing hydrocarbon fluids from a subsurface formation and a portion or all of which said fluids occur under existing reservoir conditions as a liquid in the subsurface formation from which produced, and from which well hydrocarbon liquids are produced with a ratio not exceeding 20,000 cubic feet of gas per barrel, and a "gas well" shall be defined as any well producing hydrocarbon fluids and/or gas which is not an oil well, as above defined.

SUBLESSEE hereby assumes and agrees to comply with all of the express and implied covenants and obligations contained in the above described lease in so far as said lease covers the above described tracts of land and affects the estate hereby subleased.

## II.

SHELL hereby agrees that SUBLESSEE may at any time or from time to time combine and pool the above described lease as to the above described land, or any portion or portions thereof, in so far and only in so far as said lease covers and includes the gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from "gas wells," as hereinbefore defined, with other lands, lease or leases in so far as such production from "gas wells" is concerned so as to create units of such size and shape as SUBLESSEE may desire but not

containing more than 640 surface acres. In the event SUBLESSEE creates any such unit, SUBLESSEE agrees to assign to SHELL, effective as of the date of the creation of such unit, an overriding royalty of (a) the hereinafter described "fractional part" of 1/5 of all (8/8) of the distillate, condensate and other liquid hydrocarbons in and under which may be produced from gas wells, as the term "gas well" is hereinbefore defined, located on the lands included within said unit but not included within the description of the lands by this instrument subleased, all free of cost of drilling for, producing, treating and separating same, and (b) the hereinafter described "fractional part" of 1/5 of market value at the well or wells of all (8/8) of the gas produced from gas wells, as the term "gas well" is hereinbefore defined, located on such lands included within said unit but not included within the description of the lands by this instrument subleased, all free of cost of drilling for, producing, treating and separating same. The "fractional part" referred to in this Section shall be a fraction which has as its numerator the number of acres hereby subleased and included in said unit and has as its denominator the total number of acres included within said unit. Contemporaneously with SUBLESSEE'S assignment to SHELL of the above described overriding royalty in the acreage within the unit but not included within the description of the lands by this instrument subleased, SHELL shall execute and deliver to SUBLESSEE

an instrument, effective as of the date of the creation of such unit, reducing, only in so far as that portion of the lands described in Section I and included within said unit is concerned, the overriding royalties hereinbefore reserved by SHELL in Section I to said "fractional part" of said overriding royalties. The provisions of this Section II shall apply regardless of where on said unit the well or wells may be located.

### III.

The overriding royalties reserved by SHELL in Section I hereof and the overriding royalties which may be assigned to SHELL in accordance with the provisions of Section II hereof shall be covenants running with the leases and lands. SUBLESSEE agrees properly to gauge the production to which SHELL'S overriding royalty is applicable and to furnish the Accounting Department of SHELL at Houston, Texas, with copies of daily gauge reports, stock reports and reports showing the amount of such production used on said lands, delivered to pipe lines, stored or sold therefrom.

If at any time or times, SUBLESSEE obtains an extension or renewal of the lease above described in Section I hereof, or a new lease or co-lessor's agreement, covering all or any part of the lands described in Section I hereof, such extension, renewal, or new lease or co-lessor's agreement shall cover both oil and gas. If at any time or times, SUBLESSEE obtains an extension or renewal of the lease de-

scribed in Section I hereof or of any lease or co-lessor's agreement as to which SHELL may be assigned an overriding royalty as provided in Section II hereof, or if at any time or times prior to the expiration of six months after termination of the applicable existing lease or co-lessor's agreement in which SHELL reserves or may be assigned an overriding royalty, SUBLESSEE obtains a new lease or co-lessor's agreement, and if such extension, renewal or new lease or co-lessor's agreement covers all or any portion of the lands described in Section I or the lands in which SHELL may be assigned an overriding royalty as provided in Section II, then the overriding royalties reserved by SHELL in Section I and the overriding royalties which may be assigned to SHELL in accordance with the provisions of Section II shall likewise apply to and be owned by SHELL under any such extended, renewed or new lease or co-lessor's agreement, and, all other rights reserved by SHELL in Section I, including all gas and distillate, condensate, natural gasoline and other liquid hydrocarbons produced from oil wells, as said term is hereinbefore defined, shall likewise be owned by SHELL under any such extended, renewed or new lease or co-lessor's agreement in so far as same covers the lands described in Section I, and SUBLESSEE shall execute appropriate assignment or assignments to SHELL without cost to SHELL.

If the interest of the lessor in the lease men-

tioned in Section I hereof, the Calcasieu National Bank in Lake Charles et al, in and to the land described in Section I, or any part of said land, is less than the whole and undivided fee, then the overriding royalties herein reserved by SHELL shall be proportionately decreased as to such of said lands as to which said interest is less than the whole and undivided fee. Likewise, if title to the leasehold estate should fail in whole or in part as to the land described in Section I, or any part of said land, the overriding royalties herein reserved by SHELL shall, as to the lands affected by such failure of title, be proportionately decreased or eliminated, as the case may be.

SHELL agrees that it will not surrender or release its rights in the lease described in Section I, or in any extension, renewal or new lease or co-lessor's agreement as to which certain rights are to be assigned to SHELL by SUBLESSEE in accordance with the provisions of the second paragraph of Section III hereof, as to the lands described in Section I, or any portion or portions thereof, in so far as said lease, renewal, extension, etc. covers the gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from an "oil well," as said term is hereinbefore defined, without first notifying Gulf Refining Company, Gulf Building, Houston, Texas, of its intention so to do at least thirty days prior to doing so. If, within said period, SUBLESSEE advises SHELL in writing that it desires an assignment of the rights to be released, SHELL

shall, instead of releasing said rights, execute and deliver an assignment thereof to SUBLESSEE. SUBLESSEE agrees that it will not surrender or release its rights in the lease described in Section I, or in any extension, renewal or new lease or co-lessor's agreement as to which certain rights are to be assigned to SHELL by SUBLESSEE in accordance with the provisions of the second paragraph of Section III hereof, as to the lands described in Section I, or any portion or portions thereof, in so far as said lease covers the gas and distillate, condensate, natural gasoline and all other liquid hydrocarbons produced from a "gas well," as said term is hereinbefore defined, without first notifying Shell Oil Company, Incorporated, Shell Building, Houston, 1, Texas, of its intention so to do at least thirty days prior to doing so. If, within said period, SHELL advises SUBLESSEE in writing that it desires an assignment of the rights to be released, SUBLESSEE shall, instead of releasing said rights, execute and deliver an assignment thereof to SHELL.

In the event SUBLESSEE obtains any extension, renewal or new lease or co-lessor's agreement as to which certain rights are to be assigned to SHELL by SUBLESSEE in accordance with the provisions of the second paragraph of Section III hereof, SUBLESSEE either shall pay any delay rentals which may become due under the terms of such extension, renewal, new lease or co-lessor's agreement in order to continue same in effect, or shall, at least thirty days prior to the due date of such rental, notify SHELL in



writing that SUBLESSEE does not desire to pay same and thereupon assign to SHELL all rights not owned by SHELL under such extension, renewal, new lease or co-lessor's agreement, if SHELL desires such assignment.

The respective rights of the parties hereto as to ownership of "oil wells" and "gas wells" are set forth and defined in a separate agreement of even date herewith and to which reference is made.

The terms and provisions hereof shall extend to and be binding upon the parties hereto, their respective successors and assigns.

In evidence of all of which, witness the execution of this instrument by the parties hereto on the 9th day of August, 1943.

WITNESSES:

Leut. Sidney J.  
A. E. Edgerton

WITNESSES:

Whitney  
James A. Brauch

SHELL OIL COMPANY, Incorporated

By A. W. Myers  
Attorney in Fact

GULF REFINING COMPANY

By T. B. Garrett  
Vice President

ATTEST:

L. E. Delcuze  
Assistant Secretary  
L. E. DELCUZE

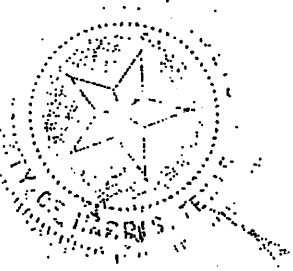
STATE OF TEXAS |  
COUNTY OF HARRIS |

Before me, the undersigned authority, on this day personally appeared KENT RIDLEY, JR., known to me to be the person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

That he personally knows A. E. JAGO and that he saw the said A. E. JAGO sign and execute the foregoing instrument as Attorney in Fact for and as the free act and deed of Shell Oil Company, Incorporated, and that he, the said KENT RIDLEY, JR., subscribed his name to the same at the same time as an attesting witness, along with A. E. EDGERTON, the other subscribing witness.

Kent Ridley, Jr.  
Affiant

Sworn to and subscribed before me this 22<sup>ND</sup> day of OCTOBER, 1943.



W. C. Brandau  
Notary Public in and for  
Harris County, Texas

W. C. BRANDAU  
Notary Public Harris County, Texas

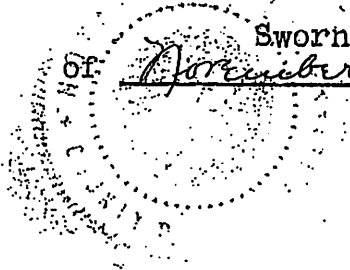
STATE OF TEXAS |  
COUNTY OF HARRIS |

Before me, the undersigned authority, on this day personally appeared J. B. Victory, known to me to be the person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

That he personally knows L. P. Garrett, and that he saw the said L. P. Garrett sign and execute the foregoing instrument as Vice President for and as the free act and deed of Gulf Refining Company, and that he, the said J. B. Victory, subscribed his name to the same at the same time as an attesting wit-

ness, along with James A. Branch, the other  
subscribing witness

*James A. Branch*  
Affiant

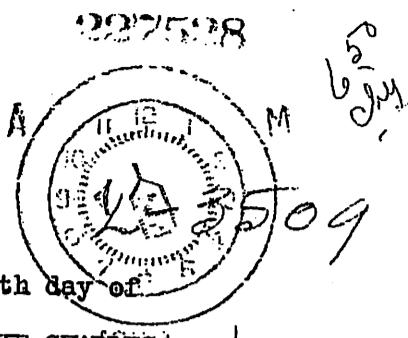


Sworn to and subscribed before me this 1<sup>st</sup> day  
of November, 1943.

*Maybel Bryant* Maybel Bryant  
Notary Public in and for  
Harris County, Texas

CONFIDENTIAL

OIL, GAS AND MINERAL LEASE



THIS AGREEMENT, made and entered into the 19th day of May, 1938, by and between CALCASIEU NATIONAL BANK IN LAKE CHARLES, in Liquidation, herein represented by Wm. T. Burton, H. G. Chalkey and Chas. R. Houssiere, ~~two~~ of its Three duly appointed, qualified and acting Liquidating Trustees, and CALCASIEU REAL ESTATE & OIL COMPANY, INC., herein represented by S. Arthur Knapp, its Vice-President, whose Post Office addresses are Lake Charles, Louisiana, hereinafter called LESSOR (whether one or more), and SHELL PETROLEUM CORPORATION, hereinafter called LESSEE:

WITNESSETH:

1. That the said Lessor, for and in consideration of Fifteen Thousand Six Hundred Ninety-Five and 60/100 (\$15,695.60) Dollars, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let, and by these presents does grant, lease and let unto the said Lessee for the purpose and with the exclusive right of exploring, drilling, mining, and operating for, producing, and owning oil, gas, sulphur and all other minerals and of laying pipe lines and of building tanks, telephone lines, power stations and other structures thereon to produce, save, treat and take care of said products, and housing its employees, all those certain tracts of land situated in the Parishes of Calcasieu and Jefferson Davis, State of Louisiana, described as follows, to-wit:

Tract 25:

East half of Southwest Quarter (E $\frac{1}{2}$  of SW $\frac{1}{4}$ ), and South half of Northwest Quarter (S $\frac{1}{2}$  of NW $\frac{1}{4}$ ) of Section Seventeen (17), Township 11 South, Range 5 West, except the following described property: Beginning at the Northeast corner of the Southwest quarter of Northwest quarter of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, Louisiana Meridian, thence south three hundred thirty (330) feet; thence west

Shell Pet. Corp.

three hundred ten (310) feet; thence north three hundred thirty (330) feet; thence east three hundred ten (310) feet to point of beginning, containing 2.34 acres - Calcasieu Parish.

Tract 214:

Northwest Quarter of Southwest Quarter ( $NW\frac{1}{4}$  of  $SW\frac{1}{4}$ ) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West - Calcasieu Parish.

Tract 106:

- (a) Southwest Quarter of Southwest Quarter ( $SW\frac{1}{4}$  of  $SW\frac{1}{4}$ ) of Section Sixteen (16), Township Eleven (11) South, Range Five (5) West, Calcasieu Parish, Louisiana.
- (b) North Half of Northwest Quarter ( $N\frac{1}{2}$  of  $NW\frac{1}{4}$ ), West Half of Northeast Quarter ( $W\frac{1}{2}$  of  $NE\frac{1}{4}$ ), Southeast Quarter of Northeast Quarter ( $SE\frac{1}{4}$  of  $NE\frac{1}{4}$ ) of Section Twenty (20), Township Eleven (11) South, Range Five (5) West - Jefferson Davis Parish.

Tract 255:

- (a) East Ten acres of Northeast Quarter of Southeast Quarter, and East ten acres of Southwest Quarter of Southeast Quarter, and the Southeast Quarter of Southeast Quarter ( $SE\frac{1}{4}$  of  $SE\frac{1}{4}$ ) of Section Seventeen (17), Township Eleven (11) South, Range Five (5) West, - Calcasieu Parish.
- (b) Northeast Quarter of Northeast Quarter ( $NE\frac{1}{4}$  of  $NE\frac{1}{4}$ ), North Half of South Half ( $N\frac{1}{2}$  of  $S\frac{1}{2}$ ) of Section Twenty (20); Northwest Quarter ( $NW\frac{1}{4}$ ), Northwest Quarter of Northeast Quarter ( $NW\frac{1}{4}$  of  $NE\frac{1}{4}$ ) of Section Twenty-one (21), Township Eleven (11) South, Range Five (5) West, Jefferson Davis Parish.

Tract 90:

North Half of Northwest Quarter of Southwest Quarter ( $N\frac{1}{2}$  of  $NW\frac{1}{4}$  of  $SW\frac{1}{4}$ ), Northeast Quarter of Southwest Quarter ( $NE\frac{1}{4}$  of  $SW\frac{1}{4}$ ), Section Twenty-one (21), Township Eleven (11) South, Range Five (5) West, Jefferson Davis Parish.

Tract 116:

- (a) Northwest Quarter of Northwest Quarter ( $NW\frac{1}{4}$  of  $NW\frac{1}{4}$ ), North Half of Northeast Quarter of Northwest Quarter ( $N\frac{1}{2}$  of  $NE\frac{1}{4}$  of  $NW\frac{1}{4}$ ) of Section Nineteen (19), Township Eleven (11) South, Range Five (5) West, Louisiana Meridian; and East Half of Northeast Quarter of Northeast Quarter ( $E\frac{1}{2}$  of  $NE\frac{1}{4}$  of  $NE\frac{1}{4}$ ) of Section Twenty-four (24), Township Eleven (11) South, Range Six (6) West, Louisiana Meridian - Jefferson Davis Parish.
- (b) Southeast Quarter of Southwest Quarter ( $SE\frac{1}{4}$  of  $SW\frac{1}{4}$ ), East Thirty (30) acres of Southwest Quarter of Southwest Quarter of Section Twelve (12), and

Northeast Quarter of Northwest Quarter ( $NE\frac{1}{4}$  of  $NW\frac{1}{4}$ ) of Section Thirteen (13), Township Eleven (11) South, Range Six (6) West, Louisiana Meridian, Calcasieu Parish.

Tract 42:

South Half of Southwest Quarter of Northwest Quarter ( $S\frac{1}{2}$  of  $SW\frac{1}{4}$  of  $NW\frac{1}{4}$ ) of Section Five (5), Township Eleven (11) South, Range Five (5) West, Louisiana Meridian - Calcasieu Parish.

Tract 121:

Northwest Quarter of Northwest Quarter ( $NW\frac{1}{4}$  of  $NW\frac{1}{4}$ ) of Section Twelve (12); Northeast Quarter of Northeast Quarter ( $NE\frac{1}{4}$  of  $NE\frac{1}{4}$ ) of Section Eleven (11), and an undivided one-half ( $1/2$ ) interest in the Southeast Quarter of Northwest Quarter ( $SE\frac{1}{4}$  of  $NW\frac{1}{4}$ ) of Section Eleven (11), Township Eleven (11) South, Range Six (6) West, Louisiana Meridian - Calcasieu Parish.

Tract 181:

North Half of Northeast Quarter of Southwest Quarter ( $N\frac{1}{2}$  of  $NE\frac{1}{4}$  of  $SW\frac{1}{4}$ ) and Southwest Quarter of Southeast quarter ( $SW\frac{1}{4}$  of  $SE\frac{1}{4}$ ) of Section Eight (8), Township Eleven (11) South, Range Five (5) West - Calcasieu Parish.

Tract 182:

Commencing at the Northwest corner of Southeast Quarter of Southwest Quarter of Section Twenty-one (21), Township Eleven (11) South, Range Five (5) West, thence East along North line of said 40 acres to the Northeast corner of said 40 acres; thence South along East line of said 40 acres a distance of 430 feet, more or less, to gravel road; thence in a northwesterly direction along gravel road to a point on the West line of said 40 acres, which point is 50 feet, more or less, South of the point of beginning; thence North to point of beginning, comprising a total of 8 acres, more or less - Jefferson Davis Parish.

Tract 180:

West Half of Southwest Quarter of Southeast Quarter ( $W\frac{1}{2}$  of  $SW\frac{1}{4}$  of  $SE\frac{1}{4}$ ) of Section Two (2), Township Eleven (11) South, Range Six (6) West, Calcasieu Parish,

Commencing at the Northwest corner of Northwest Quarter of Southeast Quarter of Section One (1), Township Eleven (11) South, Range Six (6) West, Louisiana Meridian, thence East 701.2 Feet, thence South 931.8 feet, West 701.2 feet, thence North 931.8 feet, to point of commencement - containing 14 acres, more or less - Calcasieu Parish.

Tract 167:

North Half of Northeast Quarter ( $N\frac{1}{2}$  of  $NE\frac{1}{4}$ ) of

Section Nineteen (19), Township Eleven (11)  
South, Range Five (5) West, Louisiana Meridian,  
Jefferson Davis Parish.

Tract 170:

Southeast Quarter of Southeast Quarter ( $SE\frac{1}{4}$  of  
 $SE\frac{1}{4}$ ), West Half of Southeast Quarter ( $W\frac{1}{2}$  of  $SE\frac{1}{4}$ )  
of Section Eighteen (18), Township Eleven (11)  
South, Range Five (5) West, Louisiana Meridian -  
Calcasieu Parish.

2. For the purpose of determining the amount of any money payment hereunder, said lease shall be considered to comprise 1569.56 acres, even though it actually comprises more or less, but it is Lessor's intention to lease, and Lessor does lease hereby, in addition to the land above described, all of the land and interests in land owned or claimed by Lessor by limitation or otherwise and located in said sections, and Lessor accepts the bonus as a lump sum and agrees to likewise accept the rentals as specified herein as full and complete consideration therefor, and Lessor expressly agrees to deliver to Lessee any supplemental instrument deemed necessary or requested by Lessee for a more complete or accurate description of said land.

3. It is agreed that this lease shall remain in force for a term of Three (3) years from this date, said term being hereinafter called "Primary Term", and as long thereafter as either oil, gas, sulphur or any other mineral is produced from said land by Lessee.

4. In consideration of the premises Lessee covenants and agrees:

(A) To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect its or his wells, the equal one-eighth ( $1/8$ ) part of all oil produced and saved by Lessee from the leased premises, or from time to time, at the option of Lessee, to pay Lessor the average of the posted market price of such one-eighth ( $1/8$ ) part of such oil as of the day it is run to the pipe line or storage tanks.

X (B) To pay Lessor, as royalty for gas from each well where gas only is found, while (the same is being sold or used off the

premises, one-eighth (1/8) of the market price at the wells of the amount so sold or used, and where such gas is not so sold or used Lessee shall pay to Lessor \$50.00 per annum as royalty from each of such wells and while such royalty is so paid such well shall be held to be a producing well under paragraph "3" hereof. While gas from any well producing gas only is being used or sold by Lessee, Lessor may have enough of such gas for all stoves and inside lights in the principal dwelling house on said land by making Lessor's own connections with the well at Lessor's own risk and expense.

(C) To pay Lessor as royalty for gas produced from any oil well and used by Lessee for the manufacture of gasoline, one-eighth (1/8) of the market value of such gas at the wells. If such gas is sold by Lessee, then Lessee agrees to pay Lessor, as royalty, one-eighth (1/8) of the net proceeds derived from the sale of said casinghead gas at the wells.

(D) To pay Lessor one (\$1.00) dollar per long ton (2240 pounds) on all sulphur produced and marketed from the land hereby leased.

(E) To pay Lessor on all other minerals mined and marketed by Lessee from the leased premises one-tenth (1/10) either in kind or value at the well or mine at Lessee's election.

5. If operations for drilling a well or excavating a mine be not commenced on said land on or before the 19th day of May, 1939, this lease shall terminate as to both parties, unless Lessee on or before that date shall pay or tender by the check or draft of Lessee, to Lessor, or to Lessor's credit in the Calcasieu Marine National Bank of Lake Charles, Louisiana, or its successors, or in the First National Bank at Houston, Texas, or its successors, which shall continue as the depository, regardless of changes in ownership of said land, the sum of Five (\$5.00) Dollars per acre for each acre of land then covered by this lease, which shall operate as rental and cover the privilege of deferring commencement of operations for the drilling of a well or excavating a mine



for twelve (12) months, from said date. In like manner and upon like payments or tenders the commencement of such operations may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also Lessee's option of extending that period as aforesaid, and any and all other rights conferred.

6. If on any rental date there be neither operations in progress for the drilling of a well or excavating a mine on said land, nor production therefrom, because of voluntary shutdown or for any other reason, this lease shall terminate, unless Lessee on or before said date shall make or resume the payment of rentals as herein set forth; provided if such operations be abandoned within a period of ninety (90) days prior to any rental date or if production ceases within such ninety (90) day period, Lessee shall have a period of ninety (90) days after such abandonment of operations or cessation of production within which to commence re-working/<sup>operations</sup> operations for the drilling of another well or excavating a mine, or within which to make said rental payment, and the commencement of such operations or the payment of such rental within said ninety (90) day period shall have the same force and effect as though commenced or paid on or before said rental date.

7. If, at the expiration of the primary term of this lease neither oil, gas, sulphur nor other mineral is being produced on the leased premises, but Lessee is then engaged in drilling for oil or gas or mining for sulphur or other minerals, then this lease shall continue in force so long as drilling or mining operations are being continuously prosecuted on the leased premises; and drilling or mining operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well or mine and the beginning of operations for the drilling of a subsequent well or excavating of a subsequent mine. If oil, gas, sulphur or other minerals shall be

discovered and produced from any such well or wells drilling or being drilled or sulphur be discovered and produced from any mine or mines excavated or being excavated at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, sulphur or other minerals shall be produced from the leased premises.

8. It is especially agreed that in event oil, gas, sulphur or other mineral is being produced or is obtained from said premises after the expiration of the primary term hereof and said production shall for any reason cease or terminate, Lessee shall have the right at any time within ninety (90) days from the cessation of such production to resume drilling or mining operations in the effort to make said leased premises again produce oil, gas, sulphur or other minerals, in which event this lease shall remain in force as long as such operations are continuously prosecuted, as defined in the preceding paragraph, and if they result in production of oil, gas, sulphur or other minerals, so long thereafter as oil, gas sulphur or other mineral is produced from the premises.

9. If said Lessor owns a less interest in the leased premises than the entire and undivided fee simple estate, or no interest therein, then the royalties, rentals, and other moneys herein provided for shall be paid Lessor only in the proportion which Lessor's interest, if any, bears to the whole and undivided fee.

10. Lessee shall have the right to use, free of cost, gas oil and water produced on said land for all operations thereon, except from water wells of Lessor. When requested by Lessor, Lessee shall bury its pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the consent of the Lessor. Lessee shall pay for damages caused by all operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. It is agreed that the estate of either party hereto

may be assigned in whole or in part and as to any mineral. All the covenants, obligations and considerations of the within lease shall extend to and be binding upon the parties hereto, their heirs, executors, administrators, successors, assigns and successive assigns. It is expressly agreed, with reference to every change or division whatsoever, and howsoever arising or effected, in the ownership of said land, royalties or rental or other moneys, or any part of the same, that no such change or division shall operate to increase the obligations or diminish the rights of Lessee hereunder. If the ownership of the royalties becomes changed into separate divided portions of said land and the owners of such royalty desire separate gauges for production from such separate tracts, they shall furnish and set separate measuring and receiving tanks and connections therefor at their sole cost and expense, and Lessee shall not be required to off-set wells on separate tracts or portions of said land, or to furnish upon or as to any such tract or portion separate measuring or receiving tanks. Notwithstanding any other actual or constructive knowledge or notice whatsoever thereof, of or to Lessee, no change or division in the ownership of the lands, royalties, delay rentals, or other moneys shall be binding upon the owner of the lease unless and until after thirty days written notice thereof from both Lessor and Lessor's successor or successors in interest, their successors and assigns, in which all such parties in interest concur, and until such transfers or assignments, in the event such division or change is accomplished in that manner, have been properly recorded in the county or parish where the land lies, and copies thereof certified by the County Clerk or Recorder, shall have been delivered to the record owner of the lease at the time of recordation of such transfers or assignments, said notice and copies to be delivered to said record owner at his or its principal place of business. In the event of the death of Lessor or his heirs, devisees, successors or assigns, their successors or assigns, no change in the ownership of the land, royalties, delay rentals or other moneys hereunder shall be binding on the record owner of the lease until proof satisfactory to such record owner is furnished,

evidencing such change in ownership. In event of assignment of this lease as to any part (whether divided or undivided) of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners, ratably, according to the surface area or undivided interest of each. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

12. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in the lease, whether said oil is produced from land covered by this lease or other lands and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

13. In case of cancellation or termination of this lease for any cause, Lessee shall have the right to retain under the terms hereof Five (5) acres of land around each oil or gas well or mine producing, being worked on, or drilling hereunder, as long as such operations are continued in good faith, such tract to be designated by Lessee in as near a square form as practicable.

14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both expressed 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.

15. Title to the minerals vested in Lessee under this lease shall not end or revert to Lessor until there is a complete, absolute and intentional abandonment by Lessee of each and all of the purposes, expressed or implied, of this lease and every part and parcel of the premises described in this lease. After discovery of oil, gas, sulphur or other mineral in paying quantities on said land, Lessee may, at Lessee's option, surrender this lease insofar as it pertains to any portion of said land by paying or tendering to Lessor the sum of Ten (\$10.00) Dollars and delivering to Lessor a good and sufficient recordable release of said lease insofar as it covers and affects such portion of such land, provided that, as to all such acreage retained under the lease, after production is obtained, Lessee shall continue to drill wells at reasonable intervals on such retained acreage, so as to reasonably develop the entire acreage so retained.

16. Lessor hereby warrants and agrees to defend title to the leased premises and agrees that Lessee shall have the right at any time to pay or reduce for Lessor, either before or after maturity, any mortgages, taxes or other liens or interest and other charges on said lands, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments due or which may become due to Lessor and/or assigns under this lease.

17. And now to these presents also came and intervened RECONSTRUCTION FINANCE CORPORATION, NEW ORLEANS LOAN AGENCY, herein represented by Geo. W. Robertson, its <sup>Acting Manager</sup> and agrees to the terms of this lease and joins herein insofar as it has any rights or interests in the property hereinabove described and herein leased.

IN TESTIMONY WHEREOF, we sign as of the day and year

first above written.

WITNESSES:

J. Sallette  
E. A. Riquelmy

Betty Beaufield  
E. A. Riquelmy

W. H. ...  
Virginia S. Barbera

Kent Ridley Jr.  
Joan T. Bybee

CALCASIEU NATIONAL BANK IN LAKE CHARLES,  
IN LIQUIDATION

By: Wm. T. Burton  
Chas. R. Housiere  
Liquidating Trustees

CALCASIEU REAL ESTATE & OIL COMPANY, INC.

By: S. Arthur Knapp  
Vice-President

RECONSTRUCTION FINANCE CORPORATION  
NEW ORLEANS LOAN AGENCY

By: Erin ...  
Acting Manager

SHELL PETROLEUM CORPORATION

By: William ...  
Agent

STATE OF LOUISIANA :  
PARISH OF CALCASIEU :

APPROVED  
Notary Public

BEFORE ME, the undersigned authority, on this day personally appeared E. A. Riquelmy, to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who, being first duly sworn, on his oath says:

That he subscribed his name to the foregoing instrument as a witness, and that he knows Wm. T. Burton, Chas. R. Housiere and S. Arthur Knapp, the persons named as representing the Lessors in said instrument, to be the identical persons described therein, and who executed the same, and saw them sign the same as their voluntary act and deed, and that he, the said E. A. Riquelmy, subscribed his name to the same at the same time as an attesting witness.

E. A. Riquelmy

SWORN TO and SUBSCRIBED before me, this 19th day of May, 1938.

Frank ...  
Notary Public, Calcasieu Parish, La.

STATE OF LOUISIANA :

PARISH OF CALCASIEU :

BEFORE ME, the undersigned authority, on this day personally  
appeared E. A. RIQUELMEY

to me personally known to be the identical person whose name is  
subscribed to the foregoing instrument as an attesting witness, who,  
being first duly sworn, on his oath says:

That he subscribed his name to the foregoing instrument as a  
witness, and that he knows H. G. CHALKLEY, one of the persons named  
as representing the Lessors in said instrument, to be the identical  
person described therein, and who executed the same, and saw him  
sign the same as his voluntary act and deed, and that he, the said  
E. A. Riquelme, subscribed his name to the same at the same time as  
an attesting witness.

E. A. Riquelme

SWORN TO AND SUBSCRIBED before me, this 15th day of June, 1938.

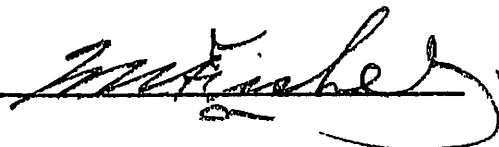
Frank Hill  
Notary Public, Calcasieu  
Parish, Louisiana

STATE OF LOUISIANA :

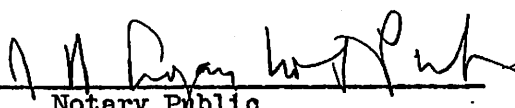
PARISH OF ORLEANS ✓ :

BEFORE ME, the undersigned authority, on this day personally appeared W. N. Fisher ✓, to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

THAT he subscribed his name to the foregoing instrument as a witness to the signature of Geo. W. Robertson, and that he knows the said Geo. W. Robertson, the person named as representing the Reconstruction Finance Corporation, New Orleans Loan Agency, in said instrument, to be the identical person described therein, and who executed the same, and saw him sign the same as his voluntary act and deed, and that he the said W. N. Fisher, subscribed his name to the same at the same time as an attesting witness.

  
\_\_\_\_\_

SWORN TO and SUBSCRIBED before me this 30th day of  
May, 1938.

  
\_\_\_\_\_  
Notary Public



TEXAS  
STATE OF LOUISIANA :  
COUNTY HARRIS  
PARISH OF CALCASIEU :

BEFORE ME, the undersigned authority, this day personally appeared KENT RIDLEY, JR., to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

That he subscribed his name to the foregoing instrument as a witness, and that he knows WILLIAM M. JOHNSON, AGENT the LESSEE named in said instrument, to be the identical person described therein, and who executed the same, and saw him sign the same as his voluntary act and deed, and that he, the said KENT RIDLEY, JR. subscribed his name to the same at the same time, as an attesting witness.

Kent Ridley, Jr.

SWORN TO AND SUBSCRIBED before me, this 16<sup>TH</sup> day of

JUNE  
~~May~~, 1938.

Thelma Aldrich  
Notary Public,  
Calcasieu Parish, Louisiana.  
HARRIS COUNTY, TEXAS

EXTRACT from the Minutes of the meeting of the Board of Directors of Calcasieu Real Estate & Oil Company, Inc., held at their office in the City of Lake Charles, Louisiana, on May 19, 1938.

\* \* \* \* \*

"BE IT RESOLVED: That S. Arthur Knapp, Vice-President of this Corporation, be and he is hereby authorized, empowered and instructed to sign, execute and deliver and accept the consideration, and to do and perform any and all acts necessary for the final consummation of an oil, gas, and mineral lease to the Shell Petroleum Corporation, for any and all lands which said S. Arthur Knapp may designate in the West Half ( $W\frac{1}{2}$ ) of Township Eleven (11) South, Range Five (5) West, and the East Third ( $E\frac{1}{3}$ ) of Township Eleven (11) South, Range Six (6) West, in the Parishes of Calcasieu and Jefferson Davis, and for such consideration and on such terms as said S. Arthur Knapp may agree; and does hereby ratify and confirm any and all acts of said S. Arthur Knapp in connection therewith as the Acts of this Corporation."

\* \* \* \* \*

I hereby certify that the above and foregoing is a true and correct extract from the Minutes of the Meeting held as aforesaid.

  
Secretary

530

THE M. L. BAIN COMPANY  
BAIN & GRAM  
FORM AS OIL-GAS-NEW SOUTH  
LOUISIANA REVISED SIX 191-POOLING

# CONVEYANCE OIL, GAS AND MINERAL LEASE

14.50  
1070563

THIS AGREEMENT, entered into effective as of August 8 1967

by and between NELLA H. MOUTON, widow of Albert F. Mouton, CLYDE F. MOUTON,  
a single man and DOUGLAS MOUTON married to and living with  
Oldenburg  
Gladys Winder, 1655 Santa Clara Street, Santa Clara  
California.

herein called "Lessor" (whether one or more) and COASTAL STATES GAS PRODUCING COMPANY,  
P. O. Box 52088, Lafayette, Louisiana 70501  
hereinafter called "Lessee", witnesseth, that:

Lessor, in consideration of the sum of One Hundred and No/100----- (\$ 100.00), hereby leases and lets unto Lessee, the exclusive right to enter upon and use the land hereinafter described for the exploration for, and production of oil, gas, sulphur and all other minerals, together with the use of the surface of the land for all purposes incident to the exploration for and production, ownership, possession, storage and transportation of said minerals (either from said land or acreage pooled therewith), and the right to dispose of salt water, with the right of ingress and egress to and from said lands at all times for such purposes, including the right to construct, maintain and use roads, pipelines and/or canals thereon for operations hereunder or in connection with similar operations on adjoining land, and including the right to remove from the land any property placed by Lessee thereon and to draw and remove casing from wells drilled by Lessee on said land; the land to which this lease applies and which is affected hereby being situated in Jefferson Davis Parish, Louisiana, and described as follows, to-wit:

All of the West Half of the Northwest Quarter (W/2 of SW/4) of Section 16, Township 11 South, Range 5 West, Calcasieu and Jefferson Davis Parishes, Louisiana, SAVE AND EXCEPT 17.55 acres of land, more or less, being that certain 17.55 acres of land, more or less, in the West Half of the Northwest Quarter (W/2 of NW/4) of said Section 16 and included in Cibicides Hazzardi SU C created by State of Louisiana Department of Conservation Order No. 590-A-2 effective on and after February 1, 1967 and recorded in Book 305 at Page 603 of the Conveyance Records of Jefferson Davis Parishes, Louisiana. A survey plat of said unit is recorded in plat book 18, Page 64 of the records of Calcasieu Parish, Louisiana and in Book 310, Page 285 of the Conveyance Records of Jefferson Davis Parish, Louisiana, to which reference is here made for all purposes.

All land owned by the Lessor in the above mentioned Section or Sections or Surveys, all property acquired by prescription and all accretion or alluvion attaching to and forming a part of said land are included herein, whether property or specifically described or not. Whether or not any reduction in rentals shall have previously been made, this lease, without further evidence thereof, shall immediately attach to and affect any and all rights, titles, and interests in the above described land, including reversionary mineral rights, hereafter acquired by or inuring to Lessor and Lessor's successors and assigns.

For the purpose of calculating the rental payments hereinafter provided for, the above described land is estimated to comprise 62.55 acres, whether it actually comprised more or less.

This lease shall be for a term of five (5) years and No months from the date hereof (called "primary term") and so long thereafter as oil, gas or some other mineral is being produced or drilling operations are conducted either on this land or on acreage pooled therewith (or with any part thereof), all as hereinafter provided for; all subject to the following conditions and agreements:

1. This lease shall terminate on August 8 1968, unless on or before said date the Lessee either (1) commences operations for the drilling of a well on the land, or on acreage pooled therewith (or with any part thereof), in search of oil, gas or other minerals and thereafter continues such operations and drilling to completion (or abandonment); or (2) pays to the Lessor a rental of Three Thousand, One Hundred twenty-seven & Dollars (\$ 3,127.50) per acre for all or that part of the land which Lessee elects to continue to hold hereunder, which payment shall maintain Lessee's rights in effect as to such land without drilling operations for one year from the date last above mentioned; and Lessee may continue to maintain the rights granted without drilling operations for successive twelve month periods (during the primary term) by paying Lessee, on or before the beginning of such respective periods Three Thousand, One Hundred twenty-seven & Dollars (\$ 3,127.50) per acre for all or that part of the land held hereunder. Payments may be made to the Lessor or may be mailed or delivered for deposit to Lessor's credit in the Bank of America Bank of Santa Clara, California which Bank or its successor shall continue to be the depository for such rentals as the representative of Lessor and Lessor's successors and

[Redacted signature area]

OFFICE OF STATE CLERK  
CALCASIEU PARISH, LOUISIANA  
JUL 11 1967

Lessee

assigns; and the death or incapacity of Lessor shall not terminate or affect Lessee's right to continue to deposit all payments in said depository bank or its successor. The mailing of the check or draft of Lessee or successors to Lessor at the address set forth above or to the said Bank on or before the rental paying date shall be considered as payment of rental and operate to maintain Lessee's rights in force and effect. Should said Bank fail or liquidate, or if it should for any reason fail or refuse to accept Lessee's check or draft, the attempted payment in the manner above provided shall not be thereby rendered ineffective and Lessee shall not be in default for failure to pay said rental until thirty (30) days after Lessee shall have furnished Lessee with a reasonable instrument naming a new depository; and this provision shall apply to all such new and subsequently named depositories. Wherever used in this lease, "operations for drilling," "drilling operations" and "operations" shall be deemed to have been commenced when work is commenced or materials placed on the ground at or near the well site preparatory to the drilling of a well.

2. Lessee, at its option, is hereby given the right and power without any further approval from Lessor, at any time and from time to time, to pool or combine the land or mineral interest covered by this lease, or any portion thereof, with other land, lease or leases and mineral interests in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly explore or develop or operate said premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises or to prevent waste or to avoid the drilling of unnecessary wells or to comply with the spacing or unitization order of any Regulatory Body of the State of Louisiana or the United States having jurisdiction. The term "Regulatory Body" shall include any governmental officer, tribunal or group (civil or military) having authority governing the drilling of wells or the production of minerals. Such pooling shall be for adjacent tracts which will form a reasonably compact (but not necessarily contiguous) body of land for each unit, and the unit or units so created shall not exceed substantially forty (40) acres each for each well for oil exploration or production and substantially one hundred sixty (160) acres each for each well for gas and gas-condensate exploration or production unless a larger spacing pattern or larger drilling or production units (including a field or pool unit) shall have been fixed and established by an order of a Regulatory Body of the State of Louisiana or of the United States, in which event the unit or units shall be the same as fixed by said order. Lessee shall execute and file for record in the Conveyance Records of the Parish in which the land herein leased is situated a declaration describing the pooled acreage; and upon such filing, the unit or units shall thereby become effective, except that when a unit is created by order of a Regulatory Body, the pooling shall be effective as of the effective date of such order, and no declaration shall be required in connection therewith. The royalties herein elsewhere specified and subject to the provisions of Paragraph 10 hereof, shall be computed only on the proportionate part of the production from any pooled unit which is allocated to the land herein described; and units otherwise allocated by order of a Regulatory Body, the amount of production to be so allocated from each pooled unit shall be that proportion of such total production that the surface area of the land affected hereby and included in the unit bears to the total surface area of all the lands included in such pooled unit. Drilling or reworking operations on or production of oil, gas or other minerals from land included in such pooled unit shall have the effect of continuing this lease in force and effect during or after the primary term as to all of the land covered hereby (including any portion of said land not included in said unit) and as to all strata underlying said land whether or not such operations be on such production be from land covered hereby. Any unit formed by Lessee hereunder may be created either prior to or during or after the drilling of the well which is then or thereafter becomes the unit well. Separate units may be created for oil and for gas, or for separate stratum or strata of oil or gas, even though the areas thereof overlap, and the creation of a unit as to one mineral or strata or stratum shall not exhaust the right of Lessee (even as to the same well) to create different or additional units for other minerals or for other strata or stratum of the same or other minerals. The failure of the leasehold title (in whole or in part) to any tract or interest therein included in a pooled unit shall not affect the validity of said unit as to the tracts or interests not subject to such failure, but the unit may thereafter be revised as hereinafter provided. Lessee shall have the right and power to reduce or to eliminate the extent of any pooled unit created under the terms of this paragraph so as to eliminate from said unit any interest or lease to which title has failed or upon which there is or may be an adverse claim. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall describe the lands included in the unit as revised and shall be filed for record in the Conveyance Records of the Parish where the lands herein leased are situated. The revised declaration shall not be retroactive but shall be effective as of the date that it is filed for record. Any unit created by Lessee hereunder shall also be revised so as to conform with an order of a Regulatory Body issued after said unit was originally established; such revision shall be effective as of the effective date of such order without further declaration by Lessee, but such revision shall be limited to the stratum or strata covered by said order and shall not otherwise affect the unit originally created.

3. Lessee, may, at any time prior to or after the discovery and production of minerals on the land, execute and deliver to Lessor or file for record a release or releases of any portions of the lands or any stratum or strata and be relieved of all requirements hereof as to the land, stratum or strata so released; and, in the event of a release of all strata under a portion of the land during the primary term, the rental shall be reduced proportionately, according to acreage. In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain around each well then producing oil, gas or other minerals or being drilled or worked on the number of acres fixed and located by or in accordance with the spacing or unit or provision allowable order of any Regulatory Body of the State of Louisiana or of the United States under which said well is being drilled or produced, or if said well has been or is being drilled on a unit pooled by Lessee as provided herein, then Lessee may retain all of the acreage comprising said pooled unit and if no order has been issued or if no order has been issued for any pooled unit established, then Lessee shall have the right to retain forty (40) acres surrounding each oil well then producing or being drilled or worked on, and one hundred sixty (160) acres around each gas or gas condensate well then producing, or being drilled or worked on or shut in under Paragraph 9 hereof, each of such tracts to be in as near a square form as is practicable. Lessee shall have such rights of way or servitudes affecting the acreage released or forfeited as are necessary for Lessee's operations on the land retained hereunder.

4. Prior to the time that oil, gas or some other mineral is being produced from the leased land or land pooled therewith (or with any part thereof), Lessee may maintain the rights granted during and after the primary term by carrying on operations on said land or land pooled therewith (or with any part thereof) without the lapse of more than ninety (90) days between abandonment of work on one well and the commencement of operations for drilling or reworking another; and during the primary term such operations may be discontinued and the rights granted hereinabove provided for so long as oil, gas, or some other mineral is being produced in paying quantities. It is provided, however, that if, after the production of oil, gas or other minerals in paying quantities, the production thereof should cease from any cause, and Lessee is not then engaged in drilling or reworking operations, this lease shall terminate unless Lessee resumes or restores such production, or commences or resumes additional drilling, reworking or mining operations within ninety (90) days thereafter and continues such operations without the lapse of more than ninety (90) days between abandonment of work on one well and commencement of reworking operations or operations for the drilling of another, in an effort to restore production of oil, gas or other minerals, or (if during the primary term) commences or resumes the payment of rental in the manner hereinabove provided for in connection with the abandonment of wells drilled. Lessee shall not be required to produce more than one mineral, the production of any one mineral in paying quantities and with reasonable diligence being sufficient to maintain all of Lessee's rights. In the event that any well on the land or on property pooled therewith (or with any part thereof), is capable of producing gas or gaseous substances in paying quantities but such minerals are not being produced, then Lessee's rights may be maintained, in the absence of production or drilling operations, by commencing or resuming rental payments as hereinabove provided for in connection with the abandonment of wells drilled. Should such conditions occur or exist at the end of or after the primary term, or within ninety (90) days prior to the expiration thereof, Lessee's rights may be extended beyond and after the primary term by the commencement, resumption or continuance of such payments at the rate and in the manner herein provided for rental payments during the primary term, and for the purpose of computing and making such payments the expiration date of the primary term and each anniversary date thereof shall be considered as a fixed rental paying date; provided, however, that in no event shall Lessee's rights be so extended by rental payments and without drilling operations or production of oil, gas or some other mineral for more than two consecutive years.

5. If, prior to or after the discovery of oil or gas on the lands held hereunder, a well producing oil or gas in paying quantities for 30 consecutive days should be brought in or released by Lessee and not included in a pooled unit containing all or a portion of the lands herein described, Lessee shall drill such offset well to protect the lands held hereunder from drainage as and within the time that a reasonable and prudent operator would drill under the same or similar circumstances; it being provided, however, that Lessee shall not be required to drill any such offset well unless the well on adjacent land is within 330 feet of any line of the lands held hereunder, nor shall such offset well be necessary when said lands are being reasonably protected by a well on the leased premises or land pooled therewith (or with any part thereof).

6. After the production of oil, gas or any other mineral in paying quantities, either on the leased premises or on lands pooled therewith (or with any part thereof), the rights granted during and after the primary term and without the payment of the rental as provided in the lease hereinabove provided for so long as oil, gas, or some other mineral is being produced in paying quantities. It is provided, however, that if, after the production of oil, gas or other minerals in paying quantities, the production thereof should cease from any cause, and Lessee is not then engaged in drilling or reworking operations, this lease shall terminate unless Lessee resumes or restores such production, or commences or resumes additional drilling, reworking or mining operations within ninety (90) days thereafter and continues such operations without the lapse of more than ninety (90) days between abandonment of work on one well and commencement of reworking operations or operations for the drilling of another, in an effort to restore production of oil, gas or other minerals, or (if during the primary term) commences or resumes the payment of rental in the manner hereinabove provided for in connection with the abandonment of wells drilled. Lessee shall not be required to produce more than one mineral, the production of any one mineral in paying quantities and with reasonable diligence being sufficient to maintain all of Lessee's rights. In the event that any well on the land or on property pooled therewith (or with any part thereof), is capable of producing gas or gaseous substances in paying quantities but such minerals are not being produced, then Lessee's rights may be maintained, in the absence of production or drilling operations, by commencing or resuming rental payments as hereinabove provided for in connection with the abandonment of wells drilled. Should such conditions occur or exist at the end of or after the primary term, or within ninety (90) days prior to the expiration thereof, Lessee's rights may be extended beyond and after the primary term by the commencement, resumption or continuance of such payments at the rate and in the manner herein provided for rental payments during the primary term, and for the purpose of computing and making such payments the expiration date of the primary term and each anniversary date thereof shall be considered as a fixed rental paying date; provided, however, that in no event shall Lessee's rights be so extended by rental payments and without drilling operations or production of oil, gas or some other mineral for more than two consecutive years.

7. Subject to the provisions of Paragraphs 2 and 10 hereof the royalties to be paid by Lessee are: (a) on oil (which includes condensate and other liquid hydrocarbons when separated by lease separator units), one-tenth (1/10) of that produced and saved from the land and not used for fuel in conducting operations on the property (or on acreage pooled therewith or with any part thereof), or in treating such liquids to make them marketable; (b) on gas, one-tenth (1/10) of the market value at the well of the gas used by Lessee in operations not connected with the land leased or any pooled unit containing a part of said land; the royalty on gas sold by Lessee to be one-tenth (1/10) of the amount realized at the well from such sales; (c) one-tenth (1/10) of the market value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products, except that in computing such value, there shall be excluded all gas or components thereof used in lease or unit operations, or injected into subsurface strata as hereinafter provided; (d) One Dollar (\$1.00) for each ton of 2240 pounds of sulphur, payable when marketed; and (e) one-tenth (1/10) of the market value at the well or mine of all other minerals produced and saved or mined and marketed. Oil royalties shall be delivered to Lessor free of expense at Lessor's option in tanks furnished by Lessor at the well or to Lessor's credit in any pipe line connected therewith. In the event Lessor does not furnish tanks for such royalty oil and no pipe line is connected with the well, Lessee may sell Lessor's such oil at the best market price obtainable and pay Lessor the price received f.o.b. the leased property, less any severance or production tax imposed thereon. Lessee shall have the right to inject gas, water, brine or other fluids into subsurface strata, and no royalties shall be due or computed on any gas or component thereof produced by Lessee and injected into subsurface stratum or strata through a well or wells located either on the land or on a pooled unit containing all or a part of the land.

8. The Lessee shall be responsible for all damages to ~~the land~~ ~~and~~ ~~the~~ ~~operations~~ ~~thereof~~ caused by Lessee's operations.  
 9. All provisions hereof shall inure to the benefit of and bind the successors and assigns (in whole or in part) of Lessor and Lessee, (whether by sale, inheritance, assignment, sub-lease or otherwise), but regardless of any actual or constructive notice thereof, no change in the ownership of the land or any interest therein or change in the capacity or status of Lessor or any other owner of rights hereunder, whether resulting from sale or other transfer, inheritance, intestacy, intestation, emancipation, assignment of majority or otherwise, shall impose any additional burden on Lessee, or be binding on Lessee for making any payments hereunder unless, first, forty-five (45) days before any such payment is due, the record owner of this lease shall have been furnished with certified copy of recorded instrument or judgment evidencing such sale, transfer or inheritance, or with evidence of such change in status or capacity of Lessor or other party owning rights hereunder. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance. A sublessee may, as to the Lessor, exercise the rights and dis-



STATE OF California  
 (JUDICIAL COUNTY) OF Santa Clara  
 On this 27th day of Aug 19 67, before me personally appeared  
Nellie H. Macdonald, Clyde F. Macdonald and Douglas Macdonald  
 to me known to be the person described in the foregoing instrument, and acknowledged that they executed the  
 same as their free act and deed.  
George D. Silva  
 Notary Public.

RECORDED: August 31, 1967 Anton Hillenbrand CLERK OF COURT & EX OFFICIO RECORDER

OFFICE OF CLERK OF COURT  
 AUG 29 10 00 AM '67  
 CALCASIEU PARISH LOUISIANA

107056A

STATE OF LOUISIANA  
 PARISH OF CALCASIEU

BE IT KNOWN, that on this day before me, a Notary Public in and for the Parish and State aforesaid, duly commissioned and sworn, did come and appear JOSEPH R. PALERMO, married to and living with Mrs. Rose Palermo, born Minaldi, a resident of Calcasieu Parish, Louisiana, who declared that he does, by these presents, GRANT, BARGAIN, SELL, CONVEY and DELIVER with full guarantee of title and with complete transfer and subrogation of all rights and actions of warranty against all former proprietors of the property herein conveyed unto PALERMO REALTY DEVELOPMENT CORPORATION, a corporation organized under the laws of the State of Louisiana, and domiciled and doing business in the Parish of Calcasieu, State of Louisiana, herein represented by ANTHONY J. PALERMO, Vice-President of said corporation and duly authorized, the following described property situated in the Parish of Calcasieu, Louisiana, more particularly described as follows:

*Palermo s r w*

Commencing at a point 30 feet North and 15 feet East of the Southwest Corner of the Northeast Quarter (NE/4) of Section Thirty-six (36), Township Ten (10) South, Range Eleven (11) West; thence North 0° 12' 30" East 1,335 feet; thence South 89° 36' East 2,613.17 feet to the right-of-way of a public road; thence South 0° 26' West 1,335 feet along said road right-of-way; thence North 89° 36' 30" West 2,608 feet to point of beginning.

TO HAVE AND TO HOLD said described property unto said purchaser, its heirs and assigns forever.

This sale is made for the consideration of the sum of FOURTEEN THOUSAND AND NO/100 (\$14,000.00) DOLLARS, cash in hand, receipt of which is hereby acknowledged.

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CONVEYANCE

OIL AND GAS LEASE AFFECTING LANDS OPERATED BY WALKER LOUISIANA PROPERTIES

33-50  
1-20  
Chy.  
1449137

OFFICE OF THE CLERK OF COURT  
MAY 14 10 45 AM '77  
TOWN AND RANGE RECORDS  
CALCASIEU PARISH, LOUISIANA

THIS LEASE AGREEMENT is effective 19 , between WALKER LOUISIANA PROPERTIES, (a Partner owned by The Howard Corporation, a Texas corporation, Globe Texas Company, a Delaware corporation, and Tenneco Oil Company, a Delaware corporation), P. O. Box 1048, Lake Charles, Louisiana 70601, hereinafter referred to as "Lessor," and Despot Exploration, Inc. 705 Beck Building, Shreveport, Louisiana 70112 hereinafter referred to as "Lessee,"

*Despot Exploration, Inc.  
705 Beck Building  
Shreveport, La.  
70112*

W I T N E S S E T H :

That,

1. Lessor, in consideration of a lease bonus of Two Hundred Fifty Two and Ninety Five/100 (\$252.95) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, hereby leases and lets unto Lessee the lands described below for the purpose of investigating, exploring, prospecting, drilling and producing oil and gas, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon, necessary to produce, save, treat, transport said products produced from the leased lands; the land to which this lease applies is situated in the Parish of Calcasieu State of Louisiana and described as follows, to wit:

TOWNSHIP 11 SOUTH - RANGE 5 WEST

Section 17: E/2 of E/2 of NE/4 of SE/4 containing 10.118 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of one year from this date (called "primary term") and as long thereafter as oil or gas

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is produced from said land hereunder or operations are conducted, all as hereinafter provided.

3. Lessee's rights shall extend only to all formations lying above the deeper of the following:

(a) A depth of one hundred (100) feet below the maximum depth that has been drilled to by Lessee in any well, the actual drilling of which shall have been begun on the leased land, or on acreage pooled therewith during the primary term hereof, regardless of whether or not same proves to be productive of oil or gas in paying quantities.

(b) The stratigraphic equivalent of the base of the deepest producing formation encountered in the drilling of any well, the actual drilling of which shall have been begun on the leased land, or on acreage pooled therewith during the primary term hereof.

Lessor retains all of the oil and gas as to formations below said depth together with the full rights to investigate and explore for, develop, produce, save and remove same from the leased premises. Lessor and Lessee agree to enter into a recordable declaration following the completion or abandonment of the last well, the actual drilling of which shall have been begun on the leased land or acreage pooled therewith during the primary term fixing their respective rights under this paragraph.

~~4. As the principal consideration for the granting of this lease, Lessee is bound and obligated to commence on or before the actual drilling of a well in search of oil or gas at a location~~

~~and to be thereafter prosecuted with diligence and without unnecessary delays to a depth of            feet or to a depth sufficient to test the~~



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~~whichever is the lesser depth, or to a depth at which oil or gas in commercial quantities is encountered at a lesser depth, or unless at a lesser depth, heaving shale, excessive salt water flow or some other impenetrable formation or condition should be encountered making further drilling by ordinary methods impracticable; failure to so commence and to drill said well in the time and manner hereinabove specified will operate to forfeit all of Lessee's rights hereunder without the necessity of putting in default, but Lessee shall not be liable in damages for failure to so commence and drill said well in the time and manner provided.~~

5. For the consideration paid at the execution hereof, this lease shall remain in full force and effect during the primary term without any additional payment or without Lessee being required to conduct any operations on the land or acreage pooled therewith, ~~except to drill the well provided for in paragraph 4 hereof~~ and to drill such wells as might be necessary to protect the land from drainage as elsewhere provided for herein. After beginning the drilling of a well on the land or acreage pooled therewith before the end of the primary term and prior to discovery and production of minerals in paying quantities, Lessee may maintain the rights granted after the primary term hereof by continuing such operations without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another. If a well drilled on the leased premises or on acreage pooled therewith is abandoned more than sixty (60) days prior to the expiration of the primary term, the drilling of the next well on the leased land or acreage pooled therewith shall be deemed to have been timely commenced if commenced prior to the expiration of the primary term.

6. (a) Upon the completion of an oil well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially forty (40) acres; and upon the completion of a gas well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially one hundred sixty (160) acres of the land covered by this lease. Each such block shall include and be in the vicinity of said well, and the shape of said block shall be established and fixed by Lessee. If at the completion of any well or subsequent thereto a drilling or producing unit for such well (whether larger or smaller) is created by order of the Commissioner of Conservation, the area of the block designated by Lessee shall coincide with the area of the unit fixed by the Commissioner of Conservation. The production obtained from said well shall thereafter maintain this lease in force only as to the area included in the block designated by Lessee in accordance herewith. The designation of each block shall be made by the execution and recordation of an instrument describing the well and the acreage comprising the block selected by Lessee, and said instrument shall be recorded in the Conveyance Records of the parish in which the land is located within thirty (30) days after the completion of the well and a copy mailed to Walker Louisiana Properties. In the event of the drilling and completion of subsequent wells on the land not located on a block or blocks previously created by Lessee in accordance with this paragraph, a new block shall be designated by Lessee as provided herein for each such producing well.

(b) On or before the expiration of six (6) months from the completion of the first well producing minerals in paying quantities, Lessee in order to maintain its rights in force as to the lands located outside of the block surrounding said well, shall commence the actual drilling of a well on the

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acreage not included in such block and thereafter continue such operations and drilling to completion or abandonment. If Lessee elects to drill an additional well or wells, Lessee may continue its rights in force as to all of the land held hereunder outside of the previously created producing blocks by conducting continuous operations in the sense that not more than six (6) months shall elapse between the completion or abandonment of one well and the commencement of the drilling of another until all of the land is included in producing blocks.

(c) In the event that the production on any block created in accordance with the provisions hereof should cease from any cause, this lease shall terminate as to the acreage included in such block, unless within sixty (60) days after such cessation Lessee shall commence additional drilling or reworking operations and continue such operations with diligence in an effort to restore production without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another well; and so long as such continuous operations are being conducted it shall be considered for all purposes of this lease that the block affected is producing block.

7. The royalties to be paid by Lessee are: (a) on oil, including distillate and condensate, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe lines to which the wells may be connected. At Lessor's election to be exercised by thirty (30) days' written notice, Lessee shall from time to time, either (1) purchase any royalty oil in Lessee's possession, paying the market price therefor, or (2) deliver said royalty oil to Lessor in tanks furnished by Lessor and at Lessor's expense at the well. The market

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price of any royalty oil purchased by Lessee shall not be less than the prevailing market value for Gulf Coast Oil of like grade, character and quality; (b) if Lessee sells Lessor's share of oil produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price; (c) on gas, including casinghead gas and other vaporous or gaseous substances, used off the leased premises or sold by Lessee other than for the purposes hereinafter set forth, one-fourth (1/4) of the current market value as produced at the point of use or delivery in the field; (d) if Lessee sells gas produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price. Lessor shall also have the right, upon thirty (30) days' written notice to Lessee, to obtain and receive Lessor's royalty gas in kind with the pipe line connections to be obtained or furnished by Lessor; (e) should Lessee sell gas to others for use in the manufacture of gasoline or other by-products or for the further use of such gas by the cycling or repressuring thereof, and should such sales be made for considerations other than a fixed price at the well, Lessor shall receive one-fourth (1/4) of the net amount payable to Lessee under such contract for gas produced from the lands held hereunder; or if said contract should provide for the delivery to Lessee of manufactured products, then Lessor shall be entitled to receive one-fourth (1/4) of such products. And it is further provided that should Lessee use gas produced from the land held hereunder in Lessee's own plant in the field, or having a direct pipe line connected with the field, for the manufacture or extraction of gasoline, sulphur, or other by-products, Lessor shall receive as royalty one-fourth (1/4) of the current market value at the plant of such gasoline, sulphur, or other by-products so manufactured or extracted after deducting the proportionate part of a fair and reasonable cost for extracting or manufacturing said gasoline, sulphur, or

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other by-products and, in addition thereto, one-fourth (1/4) of any amount received by Lessee for the sale at the plant of gas so used after the processing thereof, provided no deduction for extraction costs shall be made for liquid hydrocarbons recovered by use of drip, separator, or similar apparatus on the flow line of wells.

Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessor shall have the privilege at Lessor's risk and expense of using gas from any gas well on said land to operate power units on irrigation wells and/or lift pumps thereon.

8. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, then in order to maintain the rights granted herein Lessee agrees to drill such offset wells as are necessary to protect the land covered hereby from drainage.

9. Should Lessee by the drilling of any well located on the land discover gas or gaseous substances which by surface test is determined to be capable of production in paying quantities but which Lessee is unable to market, or which although previously marketed Lessee is unable to continue to market because of lack of a reasonable market or marketing facilities or governmental restrictions, then Lessee will designate a 160 acre block around said well as provided in paragraph 6 and in order to maintain its rights as to the acreage included in said block, Lessee will pay within thirty (30) days after said well is shut in, that proportion of an annual delay rental of \$50.00 per acre attributable

to Lessor's acreage in said block which the number of days from the end of such thirty (30) day period to the next anniversary date of this lease bears to three hundred sixty-five, and Lessee shall have the right and option for two additional one-year periods to maintain its rights as to land included in such block by payment of such annual delay rental for the number of acres covered by this lease and included in such block, and if Lessee makes such payments the block shall be considered as a producing block.

Rentals accruing under this paragraph may be paid or tendered to Walker Louisiana Properties or to the credit of Walker Louisiana Properties in the Calcasieu Marine National Bank, Account #01-026305-01, 844 Ryan Streer, Lake Charles, Louisiana 70601 (which bank and its successors are Lessor's agent and shall continue as the depository for all such rentals payable hereunder regardless of changes in ownership of said land or the rentals). The payment or tender of rental may be made by check or draft of Lessee mailed or delivered to said Bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as Agent to receive such payments or tenders.

10. Shut-in gas well payments provided for in the foregoing paragraph may be paid or tendered to Walker Louisiana Properties or to its credit in the depository bank named therein, but Lessor hereby directs Lessee to make payment of the bonus and royalties required under the terms of this lease to Walker Louisiana Properties. All reports, notices, and

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information to be provided to Lessor, under the terms of this lease, shall be made or given to Walker Louisiana Properties.

11. Lessee at its option is hereby given the right and power without any further approval from Lessor to pool or combine the acreage covered by this lease, or any portion thereof, with other land in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said premises so as to promote the conservation of oil or gas in and under and that may be produced from said premises, or to comply with the spacing or unitization order of any regulatory body of the State of Louisiana or the United States having jurisdiction. Such pooling shall be of tracts which will form one contiguous body of land for each unit and shall not exceed substantially forty (40) acres each, surrounding each oil well, and substantially one hundred sixty (160) acres each for each gas or gas distillate well, unless a larger or smaller spacing pattern or a larger or smaller drilling or producing unit has been established by an order of a regulatory body of the State of Louisiana or of the United States for a particular well in which event the unit shall coincide with the unit established by said order for that well. Lessee shall execute and file for record in the conveyance records of the parish in which the land is located and mail to Walker Louisiana Properties an instrument identifying and describing the pooled acreage; and upon filing the unit shall thereby become effective. In lieu of the royalties elsewhere herein specified and subject to the provisions of Section 14 hereof, Lessor shall receive from production from the unit so pooled that portion of the royalties stipulated herein as the amount of its acreage placed in the

unit, or its royalty interest therein, bears to the total acreage so pooled in the particular unit involved. Drilling or reworking operations on or production from the land included in such pooled unit shall be treated as if operations were on or production were from the leased premises irrespective of the location of the unit well. If production is secured from a unit, the acreage within the producing unit shall be considered for all purposes hereof as if it were included in a separate producing block except that in respect to production from the unit, Lessee shall pay Lessor that proportion of the royalties stipulated herein as the amount of acreage covered hereby and placed in the unit bears to the total acreage in the unit. Any unit formed by Lessee pursuant to the provisions of this paragraph may be created either prior to, during, or after the drilling of the well which is then or thereafter becomes the unit well; and separate units may be created for oil and for gas even though the areas thereof overlap. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any acreage or lease upon which there is or may be an adverse claim; and Lessee may also re-form any unit to conform with an order of a Regulatory Body issued after said unit was originally established. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall identify and describe the lands included in the unit as revised and shall be filed for record in the Conveyance Records of the parish where the lands herein leased are situated and a copy mailed to Walker Louisiana Properties.

12. Within ninety (90) days after the completion or abandonment of each well, the land surrounding said well (the surface of which may have been disturbed by the operations hereunder) shall be restored by Lessee to as near its condition



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prior to being so disturbed as is reasonably possible under the circumstances. If Lessee fails to fulfill his obligation after demand has been made to do so, Lessor may have the necessary work done to accomplish this at Lessee's cost, even if this lease has otherwise terminated. Lessee shall, no later than ninety (90) days after the expiration of this lease, remove all equipment, casing, tanks, pipe, fixtures and other property placed by Lessee on said land. Should Lessor be required to sue to enforce its rights set forth above in this paragraph, Lessor shall be entitled to recover reasonable attorneys' fees from Lessee. When required by Lessor, Lessee will bury all pipe lines one (1) foot below ordinary plow depth, and below all field ditches, and all pipe lines shall, at the option of Lessor, be constructed either above all irrigation canals or laterals or below by boring the bottoms of such canals or laterals; and no well shall be drilled within two hundred (200) feet of any residence, barn or irrigation water well now on said land without Lessor's written consent.

13. The rights of Lessee hereunder may not be assigned or subleased in whole or in part without the prior written consent of Walker Louisiana Properties, and then only upon the express qualification that without Lessor's express agreement to the contrary, such assignment or sublease when approved by Lessor shall not be deemed to modify any of the terms of this lease or to relieve Lessee from any of its obligations hereunder, and Lessor may continue to look to Lessee alone for the payment of all sums due hereunder and the fulfillment of all covenants on the part of Lessee hereunder, with the same force and effect as if such assignment or sublease had not been executed. Whenever reference is made or implied in this lease to assignees of the Lessee, it shall be deemed to refer exclusively to such assignees or sublessees and to be limited by the provisions of this paragraph.

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14. Before Lessee shall do any geophysical exploration on the land hereby leased or any part thereof, Lessee shall give Walker Louisiana Properties written notice of his intention to do so, and the time Lessee intends to begin said work and the name and address of any agent, if any, he employs to do said work. Lessee shall also give Walker Louisiana Properties written notice when said geophysical work has been completed and in no event shall any geophysical exploration be done except by Lessee or an agent or contractor engaged by Lessee.

15. At Lessor's risk, Lessor or its agents, shall at all times have access to the derrick floor of any well or wells being drilled. Lessee obligates himself to notify Walker Louisiana Properties in writing as to all of his operations on the leased premises, which shall include by way of specification but not limitation, the dates of commencing of drilling of wells, the dates of completion and abandonment of wells, the dates of cessation of operations, the dates of resumption of operations, the dates of commencement of reworking operations, the dates of capping of gas wells, the furnishing of true copies of well drilling program, logs and records, core analyses, Micrologs, Schlumberger Surveys, electrical or other well surveys, and the furnishing of all other data which may be helpful to Lessor in keeping informed as to the manner in which Lessee is complying with his obligations hereunder, provided that if Lessor is present or has a representative present at the well site when a well is logged, a field print of the log shall be delivered to Lessor or Lessor's representative upon oral request therefor, but otherwise Lessee shall not be in default for failure to furnish the items specified in this section to Lessor until after the Lessor shall have made written request on Lessee therefor and Lessee shall have failed to comply promptly with such request.

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16. No change in the ownership of the land or any interest therein shall impair the effectiveness of payments made to Lessor herein named as provided herein unless Lessee shall have been furnished thirty (30) days before payment is due, with a certified copy of the recorded instrument or judgment evidencing such transfer, inheritance or sale or evidence of such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance.

17. If, after the discovery and production of minerals from the land Lessor considers that operations are not being conducted to develop the property for the mineral so covered, or to protect its land from drainage, Lessee shall be notified in writing of the facts relied upon as constituting a breach hereof and Lessee shall have sixty (60) days after receipt of such notice to comply with the obligations imposed by virtue of this instrument.

In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain each well then producing oil or gas in paying quantities and the acreage included in the block designated by Lessee for that well. If at the time of forfeiture of this lease, Lessee is then drilling or reworking a well on the leased premises, Lessee shall have the right to retain that well and the acreage contained in the unit for that well if a unit therefor has been created by the Commissioner of Conservation of the State of Louisiana, or if no such unit has been created for that well, Lessee shall have the right to retain 160 acres around that well. If the well is thereafter completed as a producer of oil in paying quantities, Lessee shall designate a producing block of 40 acres around that well and Lessee's rights as to the remainder of the 160 acres shall then terminate. Lessee shall have such rights of way

affecting the acreage released or forfeited actually in use at the time of the said release or forfeiture which are necessary for Lessee's operation on the land retained hereunder.

The right given hereby to retain each well producing oil or gas or being drilled or worked on, and the above stated acreage surrounding the same, shall not apply to a well or wells on which drilling shall have commenced after the lapse of sixty (60) days after any written demand by registered mail by Lessor to Lessee for further development of the property which such demand shall be found to be justified.

18. Lessor hereby warrants and agrees to defend the title to said land as to Lessor's own acts and agrees that Lessee may, at Lessee's option, discharge any tax, mortgage or other lien upon said land and in the event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest less than the entirety of the mineral rights in said land, then the royalties to be paid Lessor shall be reduced proportionately.

19. Lessee shall be responsible to Lessor and to Lessor's tenants for all damages caused by Lessee's operations, including, but not limited to, damages to the surface of the land, timber, crops, pastures, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells and improvements on said land. Lessee shall protect Lessor and hold Lessor harmless from and defend on behalf of Lessor any claim or claims by any person, firm or corporation resulting

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from Lessee's operations hereunder regardless of the merit of any such claim.

20. In the event a party having an interest in this lease secures an examination of title to land herein leased, a copy of that title opinion shall be furnished Lessor on receipt by Lessee. If Lessor's title is subject to an adverse claim, Lessor shall, for a period of thirty (30) days following receipt of the title opinion showing such adverse claim, have the right to remove the title criticism involving the adverse claim after which thirty day period Lessee shall have the right to take a lease from others to protect Lessee's title. In the event a party having an interest in this lease surveys or secures abstracts, or supplements, on the whole or on any part of the leased acreage and this lease is forfeited or re-leased in its entirety, a plat of such survey and/or abstracts or supplements will be furnished to Lessor without charge. Should a party having an interest in this lease drill a water well on the leased land, Lessor shall have the right, prior to the abandonment of that water well, to purchase such well and the equipment therein and thereon by paying Lessee the then salvage value of the equipment in and on such water well.

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21. The requirements hereof are subject to any State or Federal law or order regulating operations on the land. It is agreed that should Lessee be prevented from complying with any expressed or implied covenant of this lease, or from conducting reworking or drilling operations thereon, or from producing oil, gas or other minerals therefrom by reason of act of God, flood, storm, fire, strike, labor trouble, riot, scarcity of, or inability (after effort made in good faith) to obtain equipment or material or authority to use the same, or by failure of carriers to transport or furnish facilities for transportation, or by operations of force majeure, any Federal or State law, order, rule or by regulation of governmental authority or other cause beyond Lessee's reasonable control, then Lessee shall so advise Lessor in writing, and during the period of such prevention, Lessee's obligation to comply with the provisions of this lease (except the requirements for payment of shut-in gas well rentals and royalties) shall be suspended and Lessee shall not be liable in damages for failure to comply therewith. Should such prevention occur at or after the expiration of the Primary Term of this lease, such term shall be extended as to the land involved in such prevention by rental payments in the amount provided in paragraph 9 hereof while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral as required by the terms of this lease, the first such rental being due thirty (30) days after the occurrence of such prevention.

22. Lessor shall have the continuing option to purchase at any time and from time to time all or any part of any oil, gas, casinghead gas, or other hydrocarbon substances that may be produced pursuant to the terms of this lease or which may be produced from or attributable or allocated to the lands covered

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by this lease or any portion thereof whether by reason of such interest or portion being included in any pool or any pooling agreement or unit, planned or otherwise. Any hydrocarbons so purchased by Lessor shall be purchased at a price and on terms and conditions which are not less favorable than the terms, conditions and prices obtainable by Lessee for the sale of such hydrocarbons on the date such production is available for sale. At such time as Lessee desires to sell any of the above production, Lessee shall notify Lessor of such fact. This option as to gas must be exercised by Lessor within sixty (60) days from the date that Lessee notifies Lessor that such gas is available for sale. If Lessor does not exercise such option within said period of time, Lessee shall have the exclusive right for a period of thirty (30) days thereafter to enter into a contract or contracts of sale with a third party (or parties). Upon the expiration of any such contract of sale so entered into, the option herein reserved to Lessor shall again become effective as herein provided. The option herein reserved as to oil shall be a continuing one in the sense that it may be exercised from time to time as to all or a portion of such production. During any period of time when Lessor is not purchasing oil pursuant to this option, Lessee shall have the right to sell or dispose of such oil, provided that any sale or disposition by Lessee shall be for a period not in excess of three (3) months. This option to purchase gas and/or oil may be exercised by The Howard Corporation, Tenneco Oil Company, Globe-Texas Company either together or by any one of them separately as to the entire interest covered by this lease.

23. This lease is made expressly subject to the provisions of a collateral letter executed by Lessor and Lessee contemporaneously with the execution of this lease.

24. All provisions hereof and of the collateral letter referred to in Paragraph 23 shall extend to and bind the successors and assigns of Lessor and shall also extend to and bind the sublessees, successors and assigns of Lessee.

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

WITNESSES:

Patsy Spaul  
Bonnie Moss  
Patsy Spaul  
Bonnie Moss  
Joyce Hood  
Judy Starkey

WALKER LOUISIANA PROPERTIES

BY: THE HOWARD CORPORATION

By [Signature]

GLOBE-TEXAS COMPANY

By Francis P. Duvall

TENNECO OIL COMPANY

By [Signature]  
L. W. Sargent, V. ce Pres

LESSOR

Michelle Chandler  
Wesley H. Beck

DESPOT EXPLORATION, INC.

BY: George J. Nigam

LESSEE



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STATE OF TEXAS  
COUNTY OF DALLAS

On this 1<sup>st</sup> day of January, 1977,  
before me appeared KEVIN D SHEPPARD, to me  
personally known, who, being by me duly sworn, did say that  
he is the SR. VICE PRES. of THE HOWARD CORPORATION  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
Kevin D. Sheppard acknowledged said instrument  
to be the free act and deed of said corporation.



Richard K. Waterhouse  
Notary Public

STATE OF TEXAS  
COUNTY OF DALLAS

On this 1<sup>st</sup> day of January, 1977,  
before me appeared FRANK E. AUSTIN, JR., to me  
personally known, who, being by me duly sworn, did say that he  
is the PRESIDENT of GLOBE-TEXAS COMPANY  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
Frank E. Austin, Jr. acknowledged said instrument  
to be the free act and deed of said corporation.

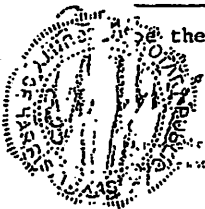


Richard K. Waterhouse  
Notary Public

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STATE OF TEXAS  
COUNTY OF HARRIS

On this 17<sup>th</sup> day of January, 1977,  
before me appeared L. L. Sargent, to me  
personally known, who, being by me duly sworn, did say that he  
is the Vice President of TENNECO OIL COMPANY  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
L. L. Sargent acknowledged said instrument to  
be the free act and deed of said corporation.



NOTARY PUBLIC  
STATE OF TEXAS  
COUNTY OF HARRIS  
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Lee Smith  
Notary Public

STATE OF Louisiana  
Parish OF Caddo

On this 8<sup>th</sup> day of March, 1977,  
before me appeared George J. Duput, to me  
personally known, who, being by me duly sworn, did say that he  
is the President of Duput Exploration Co.  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
George J. Duput acknowledged said instrument  
to be the free act and deed of said corporation.

Jean W. Harper  
Notary Public  
JEAN W. HARPER  
NOTARY PUBLIC, CADDO PARISH, LOUISIANA  
MY COMMISSION IS FOR LIFE

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STATE OF \_\_\_\_\_:

\_\_\_\_\_ OF \_\_\_\_\_:

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
before me personally appeared \_\_\_\_\_,  
to me known to be the person described in and who executed  
the foregoing instrument, and acknowledged that he executed  
the same as his free act and deed.

\_\_\_\_\_  
Notary Public

RECORDED: MARCH 15 1977 *Attn: Hillman* CLERK OF COURT &  
EX OFFICIO RECORDER

CONVEYANCE

OIL AND GAS LEASE AFFECTING LANDS  
OPERATED BY WALKER LOUISIANA PROPERTIES

33.75  
21.00

1505312

THIS LEASE AGREEMENT is effective March 8, 1978, between WALKER LOUISIANA PROPERTIES, P. O. Box 1048, Lake Charles, Louisiana 70602, an operating entity composed of AA DEVELOPMENT CORPORATION, a Texas corporation, GLOBE-Texas COMPANY, a Delaware corporation, and TENNECO OIL COMPANY, a Delaware corporation, owners, hereinafter referred to as "Lessor," and RINER EXPLORATION CORPORATION, 1242 Capital National Bank Building, Houston, Texas 77002 hereinafter referred to as "Lessee,"

W I T N E S S E T H :

That,

1. Lessor, in consideration of a lease bonus of Two Hundred Fifty Two and Ninety Five/100 (\$252.95) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, hereby leases and lets unto Lessee the lands described below for the purpose of investigating, exploring, prospecting, drilling and producing oil and gas, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon, necessary to produce, save, treat, transport said products produced from the leased lands; the land to which this lease applies is situated in the Parish of Calcasieu State of Louisiana and described as follows, to wit:

TOWNSHIP 11 SOUTH - RANGE 5 WEST

Section 17: E/2 of E/2 of NE/4 of SE/4 containing 10.118 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of one year from this date (called "primary term") and as long thereafter as oil or gas

APR 21 8 39 AM '78  
CALCASIEU PARISH, LOUISIANA

Riner Exploration Corp; 1242 Capital Natl. Bank Bldg; Houston, TX 77002

is produced from said land hereunder or operations are conducted, all as hereinafter provided.

3. Lessee's rights shall extend only to all formations lying above the deeper of the following:

(a) A depth of one hundred (100) feet below the maximum depth that has been drilled to by Lessee in any well, the actual drilling of which shall have been begun on the leased land, or on acreage pooled therewith during the primary term hereof, regardless of whether or not same proves to be productive of oil or gas in paying quantities.

(b) The stratigraphic equivalent of the base of the deepest producing formation encountered in the drilling of any well, the actual drilling of which shall have been begun on the leased land, or on acreage pooled therewith during the primary term hereof.

Lessor retains all of the oil and gas as to formations below said depth together with the full rights to investigate and explore for, develop, produce, save and remove same from the leased premises. Lessor and Lessee agree to enter into a recordable declaration following the completion or abandonment of the last well, the actual drilling of which shall have been begun on the leased land or acreage pooled therewith during the primary term fixing their respective rights under this paragraph.

~~4. As the principal consideration for the granting of this lease, Lessee is bound and obligated to commence on or before the actual drilling of a well in search of oil or gas at a location~~

~~and to be thereafter prosecuted with diligence and without unnecessary delays to a depth of                    feet or to a depth sufficient to test the~~

~~whichever is the lesser depth, or to a depth at which oil or gas in commercial quantities is encountered at a lesser depth, or unless at a lesser depth, heaving shale, excessive salt water flow or some other impenetrable formation or condition should be encountered making further drilling by ordinary methods impracticable; failure to so commence and to drill said well in the time and manner hereinabove specified will operate to forfeit all of Lessee's rights hereunder without the necessity of putting in default, but Lessee shall not be liable in damages for failure to so commence and drill said well in the time and manner provided.~~

5. For the consideration paid at the execution hereof, this lease shall remain in full force and effect during the primary term without any additional payment or without Lessee being required to conduct any operations on the land or acreage pooled therewith, except ~~to drill the well provided for in paragraph 4 hereof~~ and to drill such wells as might be necessary to protect the land from drainage as elsewhere provided for herein. After beginning the drilling of a well on the land or acreage pooled therewith before the end of the primary term and prior to discovery and production of minerals in paying quantities, Lessee may maintain the rights granted after the primary term hereof by continuing such operations without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another. If a well drilled on the leased premises or on acreage pooled therewith is abandoned more than sixty (60) days prior to the expiration of the primary term, the drilling of the next well on the leased land or acreage pooled therewith shall be deemed to have been timely commenced if commenced prior to the expiration of the primary term.

6. (a) Upon the completion of an oil well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially forty (40) acres; and upon the completion of a gas well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially one hundred sixty (160) acres of the land covered by this lease. Each such block shall include and be in the vicinity of said well, and the shape of said block shall be established and fixed by Lessee. If at the completion of any well or subsequent thereto a drilling or producing unit for such well (whether larger or smaller) is created by order of the Commissioner of Conservation, the area of the block designated by Lessee shall coincide with the area of the unit fixed by the Commissioner of Conservation. The production obtained from said well shall thereafter maintain this lease in force only as to the area included in the block designated by Lessee in accordance herewith. The designation of each block shall be made by the execution and recordation of an instrument describing the well and the acreage comprising the block selected by Lessee, and said instrument shall be recorded in the Conveyance Records of the parish in which the land is located within thirty (30) days after the completion of the well and a copy mailed to Walker Louisiana Properties. In the event of the drilling and completion of subsequent wells on the land not located on a block or blocks previously created by Lessee in accordance with this paragraph, a new block shall be designated by Lessee as provided herein for each such producing well.

(b) On or before the expiration of six (6) months from the completion of the first well producing minerals in paying quantities, Lessee in order to maintain its rights in force as to the lands located outside of the block surrounding said well, shall commence the actual drilling of a well on the

acreage not included in such block and thereafter continue such operations and drilling to completion or abandonment. If Lessee elects to drill an additional well or wells, Lessee may continue its rights in force as to all of the land held hereunder outside of the previously created producing blocks by conducting continuous operations in the sense that not more than six (6) months shall elapse between the completion or abandonment of one well and the commencement of the drilling of another until all of the land is included in producing blocks.

(c) In the event that the production on any block created in accordance with the provisions hereof should cease from any cause, this lease shall terminate as to the acreage included in such block, unless within sixty (60) days after such cessation Lessee shall commence additional drilling or reworking operations and continue such operations with diligence in an effort to restore production without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another well; and so long as such continuous operations are being conducted it shall be considered for all purposes of this lease that the block affected is producing block.

7. The royalties to be paid by Lessee are: (a) on oil, including distillate and condensate, one-fourth (1/4) of that produced and saved from the said land, the same to be delivered at the wells or to the credit of Lessor into the pipe lines to which the wells may be connected. At Lessor's election to be exercised by thirty (30) days' written notice, Lessee shall from time to time, either (1) purchase any royalty oil in Lessee's possession, paying the market price therefor, or (2) deliver said royalty oil to Lessor in tanks furnished by Lessor and at Lessor's expense at the well. The market



price of any royalty oil purchased by Lessee shall not be less than the prevailing market value for Gulf Coast Oil of like grade, character and quality; (b) if Lessee sells Lessor's share of oil produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price; (c) on gas, including casinghead gas and other vaporous or gaseous substances, used off the leased premises or sold by Lessee other than for the purposes hereinafter set forth, one-fourth (1/4) of the current market value as produced at the point of use or delivery in the field; (d) if Lessee sells gas produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price. Lessor shall also have the right, upon thirty (30) days' written notice to Lessee, to obtain and receive Lessor's royalty gas in kind with the pipe line connections to be obtained or furnished by Lessor; (e) should Lessee sell gas to others for use in the manufacture of gasoline or other by-products or for the further use of such gas by the cycling or repressuring thereof, and should such sales be made for considerations other than a fixed price at the well, Lessor shall receive one-fourth (1/4) of the net amount payable to Lessee under such contract for gas produced from the lands held hereunder; or if said contract should provide for the delivery to Lessee of manufactured products, then Lessor shall be entitled to receive one-fourth (1/4) of such products. And it is further provided that should Lessee use gas produced from the land held hereunder in Lessee's own plant in the field, or having a direct pipe line connected with the field, for the manufacture or extraction of gasoline, sulphur, or other by-products, Lessor shall receive as royalty one-fourth (1/4) of the current market value at the plant of such gasoline, sulphur, or other by-products so manufactured or extracted after deducting the proportionate part of a fair and reasonable cost for extracting or manufacturing said gasoline, sulphur, or

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other by-products and, in addition thereto, one-fourth (1/4) of any amount received by Lessee for the sale at the plant of gas so used after the processing thereof, provided no deduction for extraction costs shall be made for liquid hydrocarbons recovered by use of drip, separator, or similar apparatus on the flow line of wells.

Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessor shall have the privilege at Lessor's risk and expense of using gas from any gas well on said land to operate power units on irrigation wells and/or lift pumps thereon.

8. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, then in order to maintain the rights granted herein Lessee agrees to drill such offset wells as are necessary to protect the land covered hereby from drainage.

9. Should Lessee by the drilling of any well located on the land discover gas or gaseous substances which by surface test is determined to be capable of production in paying quantities but which Lessee is unable to market, or which although previously marketed Lessee is unable to continue to market because of lack of a reasonable market or marketing facilities or governmental restrictions, then Lessee will designate a 160 acre block around said well as provided in paragraph 6 and in order to maintain its rights as to the acreage included in said block, Lessee will pay within thirty (30) days after said well is shut in, that proportion of an annual delay rental of \$50.00 per acre attributable

to Lessor's acreage in said block which the number of days from the end of such thirty (30) day period to the next anniversary date of this lease bears to three hundred sixty-five, and Lessee shall have the right and option for two additional one-year periods to maintain its rights as to land included in such block by payment of such annual delay rental for the number of acres covered by this lease and included in such block, and if Lessee makes such payments the block shall be considered as a producing block.

Rentals accruing under this paragraph may be paid or tendered to Walker Louisiana Properties or to the credit of Walker Louisiana Properties in the Calcasieu Marine National Bank, Account #01-026305-01; 844 Ryan Street, Lake Charles, Louisiana 70601 (which bank and its successors are Lessor's agent and shall continue as the depository for all such rentals payable hereunder regardless of changes in ownership of said land or the rentals). The payment or tender of rental may be made by check or draft of Lessee mailed or delivered to said Bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as Agent to receive such payments or tenders.

10. Shut-in gas well payments provided for in the foregoing paragraph may be paid or tendered to Walker Louisiana Properties or to its credit in the depository bank named therein, but Lessor hereby directs Lessee to make payment of the bonus and royalties required under the terms of this lease to Walker Louisiana Properties. All reports, notices, and

information to be provided to Lessor, under the terms of this lease, shall be made or given to Walker Louisiana Properties.

11. Lessee at its option is hereby given the right and power without any further approval from Lessor to pool or combine the acreage covered by this lease, or any portion thereof, with other land in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said premises so as to promote the conservation of oil or gas in and under and that may be produced from said premises, or to comply with the spacing or unitization order of any regulatory body of the State of Louisiana or the United States having jurisdiction. Such pooling shall be of tracts which will form one contiguous body of land for each unit and shall not exceed substantially forty (40) acres each, surrounding each oil well, and substantially one hundred sixty (160) acres each for each gas or gas distillate well, unless a larger or smaller spacing pattern or a larger or smaller drilling or producing unit has been established by an order of a regulatory body of the State of Louisiana or of the United States for a particular well in which event the unit shall coincide with the unit established by said order for that well. Lessee shall execute and file for record in the conveyance records of the parish in which the land is located and mail to Walker Louisiana Properties an instrument identifying and describing the pooled acreage; and upon filing the unit shall thereby become effective. In lieu of the royalties elsewhere herein specified and subject to the provisions of Section 14 hereof, Lessor shall receive from production from the unit so pooled that portion of the royalties stipulated herein as the amount of its acreage placed in the

unit, or its royalty interest therein, bears to the total acreage so-pooled in the particular unit involved. Drilling or reworking operations on or production from the land included in such pooled unit shall be treated as if operations were on or production were from the leased premises irrespective of the location of the unit well. If production is secured from a unit, the acreage within the producing unit shall be considered for all purposes hereof as if it were included in a separate producing block except that in respect to production from the unit, Lessee shall pay Lessor that proportion of the royalties stipulated herein as the amount of acreage covered hereby and placed in the unit bears to the total acreage in the unit. Any unit formed by Lessee pursuant to the provisions of this paragraph may be created either prior to, during, or after the drilling of the well which is then or thereafter becomes the unit well; and separate units may be created for oil and for gas even though the areas thereof overlap. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any acreage or lease upon which there is or may be an adverse claim; and Lessee may also re-form any unit to conform with an order of a Regulatory Body issued after said unit was originally established. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall identify and describe the lands included in the unit as revised and shall be filed for record in the Conveyance Records of the parish where the lands herein leased are situated and a copy mailed to Walker Louisiana Properties.

12. Within ninety (90) days after the completion or abandonment of each well, the land surrounding said well (the surface of which may have been disturbed by the operations hereunder) shall be restored by Lessee to as near its condition

prior to being so disturbed as is reasonably possible under the circumstances. If Lessee fails to fulfill his obligation after demand has been made to do so, Lessor may have the necessary work done to accomplish this at Lessee's cost, even if this lease has otherwise terminated. Lessee shall, no later than ninety (90) days after the expiration of this lease, remove all equipment, casing, tanks, pipe, fixtures and other property placed by Lessee on said land. Should Lessor be required to sue to enforce its rights set forth above in this paragraph, Lessor shall be entitled to recover reasonable attorneys' fees from Lessee. When required by Lessor, Lessee will bury all pipe lines one (1) foot below ordinary plow depth, and below all field ditches, and all pipe lines shall, at the option of Lessor, be constructed either above all irrigation canals or laterals or below by boring the bottoms of such canals or laterals; and no well shall be drilled within two hundred (200) feet of any residence, barn or irrigation water well now on said land without Lessor's written consent.

13. The rights of Lessee hereunder may not be assigned or subleased in whole or in part without the prior written consent of Walker Louisiana Properties, and then only upon the express qualification that without Lessor's express agreement to the contrary, such assignment or sublease when approved by Lessor shall not be deemed to modify any of the terms of this lease or to relieve Lessee from any of its obligations hereunder, and Lessor may continue to look to Lessee alone for the payment of all sums due hereunder and the fulfillment of all covenants on the part of Lessee hereunder, with the same force and effect as if such assignment or sublease had not been executed. Whenever reference is made or implied in this lease to assignees of the Lessee, it shall be deemed to refer exclusively to such assignees or sublessees and to be limited by the provisions of this paragraph.

14. Before Lessee shall do any geophysical exploration on the land hereby leased or any part thereof, Lessee shall give Walker Louisiana Properties written notice of his intention to do so, and the time Lessee intends to begin said work and the name and address of any agent, if any, he employs to do said work. Lessee shall also give Walker Louisiana Properties written notice when said geophysical work has been completed and in no event shall any geophysical exploration be done except by Lessee or an agent or contractor engaged by Lessee.

15. At Lessor's risk, Lessor or its agents, shall at all times have access to the derrick floor of any well or wells being drilled. Lessee obligates himself to notify Walker Louisiana Properties in writing as to all of his operations on the leased premises, which shall include by way of specification but not limitation, the dates of commencing of drilling of wells, the dates of completion and abandonment of wells, the dates of cessation of operations, the dates of resumption of operations, the dates of commencement of reworking operations, the dates of capping of gas wells, the furnishing of true copies of well drilling program, logs and records, core analyses, Micrologs, Schlumberger Surveys, electrical or other well surveys, and the furnishing of all other data which may be helpful to Lessor in keeping informed as to the manner in which Lessee is complying with his obligations hereunder, provided that if Lessor is present or has a representative present at the well site when a well is logged, a field print of the log shall be delivered to Lessor or Lessor's representative upon oral request therefor, but otherwise Lessee shall not be in default for failure to furnish the items specified in this section to Lessor until after the Lessor shall have made written request on Lessee therefor and Lessee shall have failed to comply promptly with such request.

16. No change in the ownership of the land or any interest therein shall impair the effectiveness of payments made to Lessor herein named as provided herein unless Lessee shall have been furnished thirty (30) days before payment is due; with a certified copy of the recorded instrument or judgment evidencing such transfer, inheritance or sale or evidence of such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance.

17. If, after the discovery and production of minerals from the land Lessor considers that operations are not being conducted to develop the property for the mineral so discovered, or to protect its land from drainage, Lessee shall be notified in writing of the facts relied upon as constituting a breach hereof and Lessee shall have sixty (60) days after receipt of such notice to comply with the obligations imposed by virtue of this instrument.

In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain each well then producing oil or gas in paying quantities and the acreage included in the block designated by Lessee for that well. If at the time of forfeiture of this lease, Lessee is then drilling or reworking a well on the leased premises, Lessee shall have the right to retain that well and the acreage contained in the unit for that well if a unit therefor has been created by the Commissioner of Conservation of the State of Louisiana, or if no such unit has been created for that well, Lessee shall have the right to retain 160 acres around that well. If the well is thereafter completed as a producer of oil in paying quantities, Lessee shall designate a producing block of 40 acres around that well and Lessee's rights as to the remainder of the 160 acres shall then terminate. Lessee shall have such rights of way



affecting the acreage released or forfeited actually in use at the time of the said release or forfeiture which are necessary for Lessee's operation on the land retained hereunder.

The right given hereby to retain each well producing oil or gas or being drilled or worked on, and the above stated acreage surrounding the same, shall not apply to a well or wells on which drilling shall have commenced after the lapse of sixty (60) days after any written demand by registered mail by Lessor to Lessee for further development of the property which such demand shall be found to be justified.

18. Lessor hereby warrants and agrees to defend the title to said land as to Lessor's own acts and agrees that Lessee may, at Lessee's option, discharge any tax, mortgage or other lien upon said land and in the event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest less than the entirety of the mineral rights in said land, then the royalties to be paid Lessor shall be reduced proportionately.

19. Lessee shall be responsible to Lessor and to Lessor's tenants for all damages caused by Lessee's operations, including, but not limited to, damages to the surface of the land, timber, crops, pastures, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells and improvements on said land: Lessee shall protect Lessor and hold Lessor harmless from and defend on behalf of Lessor any claim or claims by any person, firm or corporation resulting

from Lessee's operations hereunder regardless of the merit of any such claim.

20. In the event a party having an interest in this lease secures an examination of title to land herein leased, a copy of that title opinion shall be furnished Lessor on receipt by Lessee. If Lessor's title is subject to an adverse claim, Lessor shall, for a period of thirty (30) days following receipt of the title opinion showing such adverse claim, have the right to remove the title criticism involving the adverse claim after which thirty day period Lessee shall have the right to take a lease from others to protect Lessee's title. In the event a party having an interest in this lease surveys or secures abstracts, or supplements, on the whole or on any part of the leased acreage and this lease is forfeited or released in its entirety, a plat of such survey and/or abstracts or supplements will be furnished to Lessor without charge. Should a party having an interest in this lease drill a water well on the leased land, Lessor shall have the right, prior to the abandonment of that water well, to purchase such well and the equipment therein and thereon by paying Lessee the then salvage value of the equipment in and on such water well.

21. The requirements hereof are subject to any State or Federal law or order regulating operations on the land. It is agreed that should Lessee be prevented from complying with any expressed or implied covenant of this lease, or from conducting reworking or drilling operations thereon, or from producing oil, gas or other minerals therefrom by reason of act of God, flood, storm, fire, strike, labor trouble, riot, scarcity of, or inability (after effort made in good faith) to obtain equipment or material or authority to use the same, or by failure of carriers to transport or furnish facilities for transportation, or by operations of force majeure, any Federal or State law, order, rule or by regulation of governmental authority or other cause beyond Lessee's reasonable control, then Lessee shall so advise Lessor in writing, and during the period of such prevention, Lessee's obligation to comply with the provisions of this lease (except the requirements for payment of shut-in gas well rentals and royalties) shall be suspended and Lessee shall not be liable in damages for failure to comply therewith. Should such prevention occur at or after the expiration of the Primary Term of this lease, such term shall be extended as to the land involved in such prevention by rental payments in the amount provided in paragraph 9 hereof while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral as required by the terms of this lease, the first such rental being due thirty (30) days after the occurrence of such prevention.

22. Lessor shall have the continuing option to purchase at any time and from time to time all or any part of any oil, gas, casinghead gas, or other hydrocarbon substances that may be produced pursuant to the terms of this lease or which may be produced from or attributable or allocated to the lands covered

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by this lease or any portion thereof whether by reason of such interest or portion being included in any pool or any pooling agreement or unit, planned or otherwise. Any hydrocarbons so purchased by Lessor shall be purchased at a price and on terms and conditions which are not less favorable than the terms, conditions, and prices obtainable by Lessee for the sale of such hydrocarbons on the date such production is available for sale. At such time as Lessee desires to sell any of the above production, Lessee shall notify Lessor of such fact. This option as to gas must be exercised by Lessor within sixty (60) days from the date the Lessee notifies Lessor that such gas is available for sale. If Lessor does not exercise such options within said period of time, Lessee shall have the exclusive right for a period of thirty (30) days thereafter to enter into a contract or contracts of sale with a third party (or parties). Upon the expiration of any such contract of sale so entered into, the option herein reserved to Lessee shall again become effective as herein provided. The option herein reserved as to oil shall be a continuing one in the sense that it may be exercised from time to time as to all or a portion of such production. During any period of time when Lessor is not purchasing oil pursuant to this option, Lessee shall have the right to sell or dispose of such oil, provided that any sale or disposition by Lessee shall be for a period not in excess of three (3) months. This option to purchase gas and/or oil may be exercised by AA Development Corporation, Tenneco Oil Company, Globe-Texas Company either together or by any one of them separately as to the entire interest covered by this lease.

23. This lease is made expressly subject to the provisions of a collateral letter executed by Lessor and Lessee contemporaneously with the execution of this lease.

24. All provisions hereof and of the collateral letter referred to in Paragraph 23 shall extend to and bind the successors and assigns of Lessor and shall also extend to and bind the sublessees, successors and assigns of Lessee.

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

WITNESSES:

Lloyd B. Pactor  
Lee Garland

AA DEVELOPMENT CORPORATION.

By Kath. R. Kuyper

Frank P. Kuyper  
Paul W. Kuyper

GLOBE-TEXAS COMPANY

By Thomas E. Kuyper

James S. Sargent  
James S. Sargent

TENNECO OIL COMPANY

By J. S. Sargent

Sargent, Vice President

LESSOR

Rebbie Swain  
John V. Rinne

RINER EXPLORATION CORPORATION

By John V. Rinne

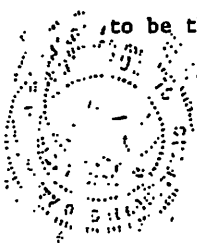
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\_\_\_\_\_

LESSEE

STATE OF TEXAS  
COUNTY OF DALLAS

On this 22nd day of March, 1978,  
before me appeared Keith D. Sheppard to me  
personally known, who, being by me duly sworn, did say that  
he is the Senior Vice President of AA DEVELOPMENT CORPORATION  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
He acknowledged said instrument  
to be the free act and deed of said corporation.



H. A. Townsend  
NOTARY PUBLIC

H. A. TOWNSEND  
Notary Public, Dallas County, Texas  
My Commission Expires 03-27-79

STATE OF TEXAS  
COUNTY OF DALLAS

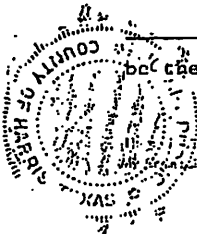
On this 23rd day of March, 1978,  
before me appeared Frank C. Austin, Jr. to me  
personally known, who, being by me duly sworn, did say that  
he is the President of GLOBE-TEXAS COMPANY  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
He acknowledged said instrument  
to be the free act and deed of said corporation.

J. Anne Broome  
NOTARY PUBLIC

J. ANNE BROOME, Notary Public  
in and for Dallas County, Texas  
My Commission Expires June 1, 1979

STATE OF TEXAS  
COUNTY OF HARRIS

On this 28<sup>th</sup> day of March, 1978,  
before me appeared E. L. SARCENT, to me  
personally known, who, being by me duly sworn, did say that he  
is the VICE PRESIDENT of TENNECO OIL COMPANY  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
E. L. SARCENT acknowledged said instrument to  
be the free act and deed of said corporation.



NOTARY PUBLIC  
HARRIS COUNTY, TEXAS  
My Commission Expires March 24, 1979

Eric Smith  
Notary Public

STATE OF TEXAS  
COUNTY OF HARRIS

On this 6<sup>th</sup> day of April, 1978,  
before me appeared James V. River, to me  
personally known, who, being by me duly sworn, did say that he  
is the PRESIDENT of RIVER EXPLORATION CORP  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
James V. River acknowledged said instrument  
to be the free act and deed of said corporation.

BARBARA A. CHAVEZ  
Notary Public in and for Harris County, Texas  
My Commission Expires June 9, 1979  
Bonded by Alexander Lovett, Lawyers Surety Corp.

Barbara A. Chavez  
Notary Public



STATE OF \_\_\_\_\_:

\_\_\_\_\_ OF \_\_\_\_\_:

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

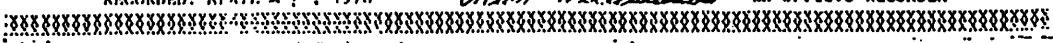
before me personally appeared \_\_\_\_\_  
to me known to be the person described in and who executed  
the foregoing instrument, and acknowledged that he executed  
the same as his free act and deed.

\_\_\_\_\_  
Notary Public

RECORDED: APRIL 24, 1978

*Victor Hillman*

CLERK OF COURT  
EX OFFICIO RECORDER





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CONVEYANCE

OIL AND GAS LEASE AFFECTING LANDS  
OPERATED BY WALKER LOUISIANA PROPERTIES

1555935

THIS LEASE AGREEMENT is effective April 4, 1979, between WALKER LOUISIANA PROPERTIES, P. O. Box 1048, Lake Charles, Louisiana 70602, an operating entity composed of AA DEVELOPMENT CORPORATION, a Texas corporation; GLOBE-TEXAS COMPANY, a Delaware corporation, and TENNECO OIL COMPANY, a Delaware corporation, owners, hereinafter referred to as "Lessor," and Charles E. Cusack, Jr., 1411 Americana Building, Houston, Texas 77002 hereinafter referred to as "Lessee,"

APR 17 10 36 AM '79  
FBI - HOUSTON

W I T N E S S E T H :

That,

1. Lessor, in consideration of a lease bonus of Two Hundred Fifty Two Dollars and Ninety Five/100 (\$252.95) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, hereby leases and lets unto Lessee the lands described below for the purpose of investigating, exploring, prospecting, drilling and producing oil and gas, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon, necessary to produce, save, treat, transport said products produced from the leased lands; the land to which this lease applies is situated in the Parish of Calcasieu State of Louisiana and described as follows, to wit:

TOWNSHIP 11 SOUTH - RANGE 5 WEST

Section 17: E/2 of E/2 of NE/4 of SE/4 containing 10.118 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of one year from this date (called "primary term") and as long thereafter as oil or gas

~~whichever is the lesser depth, or to a depth at which oil or gas in commercial quantities is encountered at a lesser depth, or unless at a lesser depth, heaving shale, excessive salt water flow or some other impenetrable formation or condition should be encountered making further drilling by ordinary methods impracticable; failure to so commence and to drill said well in the time and manner hereinabove specified will operate to forfeit all of Lessee's rights hereunder without the necessity of putting in default, but Lessee shall not be liable in damages for failure to so commence and drill said well in the time and manner provided.~~

5. For the consideration paid at the execution hereof, this lease shall remain in full force and effect during the primary term without any additional payment or without Lessee being required to conduct any operations on the land or acreage pooled therewith, except ~~to drill the well provided for in paragraph 4 hereof~~ and to drill such wells as might be necessary to protect the land from drainage as elsewhere provided for herein. After beginning the drilling of a well on the land or acreage pooled therewith before the end of the primary term and prior to discovery and production of minerals in paying quantities, Lessee may maintain the rights granted after the primary term hereof by continuing such operations without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another. If a well drilled on the leased premises or on acreage pooled therewith is abandoned more than sixty (60) days prior to the expiration of the primary term, the drilling of the next well on the leased land or acreage pooled therewith shall be deemed to have been timely commenced if commenced prior to the expiration of the primary term.

6. (a) Upon the completion of an oil well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially forty (40) acres; and upon the completion of a gas well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially one hundred sixty (160) acres of the land covered by this lease. Each such block shall include and be in the vicinity of said well, and the shape of said block shall be established and fixed by Lessee. If at the completion of any well or subsequent thereto a drilling or producing unit for such well (whether larger or smaller) is created by order of the Commissioner of Conservation, the area of the block designated by Lessee shall coincide with the area of the unit fixed by the Commissioner of Conservation. The production obtained from said well shall thereafter maintain this lease in force only as to the area included in the block designated by Lessee in accordance herewith. The designation of each block shall be made by the execution and recordation of an instrument describing the well and the acreage comprising the block selected by Lessee, and said instrument shall be recorded in the Conveyance Records of the parish in which the land is located within thirty (30) days after the completion of the well and a copy mailed to Walker Louisiana Properties. In the event of the drilling and completion of subsequent wells on the land not located on a block or blocks previously created by Lessee in accordance with this paragraph, a new block shall be designated by Lessee as provided herein for each such producing well.

(b) On or before the expiration of six (6) months from the completion of the first well producing minerals in paying quantities, Lessee in order to maintain its rights in force as to the lands located outside of the block surrounding said well, shall commence the actual drilling of a well on the

✓ acreage not included in such block and thereafter continue such operations and drilling to completion or abandonment. If Lessee elects to drill an additional well or wells, Lessee may continue its rights in force as to all of the land held hereunder outside of the previously created producing blocks by conducting continuous operations in the sense that not more than six (6) months shall elapse between the completion or abandonment of one well and the commencement of the drilling of another until all of the land is included in producing blocks.

(c) In the event that the production on any block created in accordance with the provisions hereof should cease from any cause, this lease shall terminate as to the acreage included in such block, unless within sixty (60) days after such cessation Lessee shall commence additional drilling or reworking operations and continue such operations with diligence in an effort to restore production without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another well; and so long as such continuous operations are being conducted it shall be considered for all purposes of this lease that the block affected is producing block.

7. The royalties to be paid by Lessee are: (a) on oil, including distillate and condensate, one-fourth (1/4) of that produced and saved from the said land, the same to be delivered at the wells or to the credit of Lessor into the pipe lines to which the wells may be connected. At Lessor's election to be exercised by thirty (30) days' written notice, Lessee shall from time to time, either (1) purchase any royalty oil in Lessee's possession, paying the market price therefor, or (2) deliver said royalty oil to Lessor in tanks furnished by Lessor and at Lessor's expense at the well. The market

price of any royalty oil purchased by Lessee shall not be less than the prevailing market value for Gulf Coast Oil of like grade, character and quality; (b) if Lessee sells Lessor's share of oil produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price; (c) on gas, including casinghead gas and other vaporous or gaseous substances, used off the leased premises or sold by Lessee other than for the purposes hereinafter set forth, one-fourth (1/4) of the current market value as produced at the point of use or delivery in the field; (d) if Lessee sells gas produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price. Lessor shall also have the right, upon thirty (30) days' written notice to Lessee, to obtain and receive Lessor's royalty gas in kind with the pipe line connections to be obtained or furnished by Lessor; (e) should Lessee sell gas to others for use in the manufacture of gasoline or other by-products or for the further use of such gas by the cycling or repressuring thereof, and should such sales be made for considerations other than a fixed price at the well, Lessor shall receive one-fourth (1/4) of the net amount payable to Lessee under such contract for gas produced from the lands held hereunder; or if said contract should provide for the delivery to Lessee of manufactured products, then Lessor shall be entitled to receive one-fourth (1/4) of such products. And it is further provided that should Lessee use gas produced from the land held hereunder in Lessee's own plant in the field, or having a direct pipe line connected with the field, for the manufacture or extraction of gasoline, sulphur, or other by-products, Lessor shall receive as royalty one-fourth (1/4) of the current market value at the plant of such gasoline, sulphur, or other by-products so manufactured or extracted after deducting the proportionate part of a fair and reasonable cost for extracting or manufacturing said gasoline, sulphur, or

✓ other by-products and, in addition thereto, one-fourth (1/4) of any amount received by Lessee for the sale at the plant of gas so used after the processing thereof, provided no deduction for extraction costs shall be made for liquid hydrocarbons recovered by use of drip, separator, or similar apparatus on the flow line of wells.

Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessor shall have the privilege at Lessor's risk and expense of using gas from any gas well on said land to operate power units on irrigation wells and/or lift pumps thereon,

8. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, then in order to maintain the rights granted herein Lessee agrees to drill such offset wells as are necessary to protect the land covered hereby from drainage.

9. Should Lessee by the drilling of any well located on the land discover gas or gaseous substances which by surface test is determined to be capable of production in paying quantities but which Lessee is unable to market, or which although previously marketed Lessee is unable to continue to market because of lack of a reasonable market or marketing facilities or governmental restrictions, then Lessee will designate a 160 acre block around said well as provided in paragraph 6 and in order to maintain its rights as to the acreage included in said block, Lessee will pay within thirty (30) days after said well is shut in, that proportion of an annual delay rental of \$50.00 per acre attributable

to Lessor's acreage in said block which the number of days from the end of such thirty (30) day period to the next anniversary date of this lease bears to three hundred sixty-five, and Lessee shall have the right and option for two additional one-year periods to maintain its rights as to land included in such block by payment of such annual delay rental for the number of acres covered by this lease and included in such block, and if Lessee makes such payments the block shall be considered as a producing block.

Rentals accruing under this paragraph may be paid or tendered to Walker Louisiana Properties or to the credit of Walker Louisiana Properties in the Calcasieu Marine National Bank, Account #01-026305-01, 844 Ryan Street, Lake Charles, Louisiana 70601 (which bank and its successors are Lessor's agent and shall continue as the depository for all such rentals payable hereunder regardless of changes in ownership of said land or the rentals). The payment or tender of rental may be made by check or draft of Lessee mailed or delivered to said Bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as Agent to receive such payments or tenders.

10. Shut-in gas well payments provided for in the foregoing paragraph may be paid or tendered to Walker Louisiana Properties or to its credit in the depository bank named therein, but Lessor hereby directs Lessee to make payment of the bonus and royalties required under the terms of this lease to Walker Louisiana Properties. All reports, notices, and

information to be provided to Lessor, under the terms of this lease, shall be made or given to Walker Louisiana Properties.

11. Lessee at its option is hereby given the right and power without any further approval from Lessor to pool or combine the acreage covered by this lease, or any portion thereof, with other land in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said premises so as to promote the conservation of oil or gas in and under and that may be produced from said premises, or to comply with the spacing or unitization order of any regulatory body of the State of Louisiana or the United States having jurisdiction. Such pooling shall be of tracts which will form one contiguous body of land for each unit and shall not exceed substantially forty (40) acres each, surrounding each oil well, and substantially one hundred sixty (160) acres each for each gas or gas distillate well, unless a larger or smaller spacing pattern or a larger or smaller drilling or producing unit has been established by an order of a regulatory body of the State of Louisiana or of the United States for a particular well in which event the unit shall coincide with the unit established by said order for that well. Lessee shall execute and file for record in the conveyance records of the parish in which the land is located and mail to Walker Louisiana Properties an instrument identifying and describing the pooled acreage; and upon filing the unit shall thereby become effective. In lieu of the royalties elsewhere herein specified and subject to the provisions of Section 14 hereof, Lessor shall receive from production from the unit so pooled that portion of the royalties stipulated herein as the amount of its acreage placed in the



unit, or its royalty interest therein, bears to the total acreage so pooled in the particular unit involved. Drilling, or reworking operations on or production from the land included in such pooled unit shall be treated as if operations were on or production were from the leased premises irrespective of the location of the unit well. If production is secured from a unit, the acreage within the producing unit shall be considered for all purposes hereof as if it were included in a separate producing block except that in respect to production from the unit, Lessee shall pay Lessor that proportion of the royalties stipulated herein as the amount of acreage covered hereby and placed in the unit bears to the total acreage in the unit. Any unit formed by Lessee pursuant to the provisions of this paragraph may be created either prior to, during, or after the drilling of the well which is then or thereafter becomes the unit well; and separate units may be created for oil and for gas, even though the areas thereof overlap. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any acreage or lease upon which there is or may be an adverse claim; and Lessee may also re-form any unit to conform with an order of a Regulatory Body issued after said unit was originally established. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall identify and describe the lands included in the unit as revised and shall be filed for record in the Conveyance Records of the parish where the lands herein leased are situated and a copy mailed to Walker Louisiana Properties.

12.. Within ninety (90) days after the completion or abandonment of each well, the land surrounding said well (the surface of which may have been disturbed by the operations hereunder) shall be restored by Lessee to as near its condition

prior to being so disturbed as is reasonably possible under the circumstances. If Lessee fails to fulfill his obligation after demand has been made to do so, Lessor may have the necessary work done to accomplish this at Lessee's cost, even if this lease has otherwise terminated. Lessee shall, no later than ninety (90) days after the expiration of this lease, remove all equipment, casing, tanks, pipe, fixtures and other property placed by Lessee on said land. Should Lessor be required to sue to enforce its rights set forth above in this paragraph, Lessor shall be entitled to recover reasonable attorneys' fees from Lessee. When required by Lessor, Lessee will bury all pipe lines one (1) foot below ordinary plow depth, and below all field ditches, and all pipe lines shall, at the option of Lessor, be constructed either above all irrigation canals or laterals or below by boring the bottoms of such canals or laterals; and no well shall be drilled within two hundred (200) feet of any residence, barn or irrigation water well now on said land without Lessor's written consent.

13. The rights of Lessee hereunder may not be assigned or subleased in whole or in part without the prior written consent of Walker Louisiana Properties, and then only upon the express qualification that without Lessor's express agreement to the contrary, such assignment or sublease when approved by Lessor shall not be deemed to modify any of the terms of this lease or to relieve Lessee from any of its obligations hereunder, and Lessor may continue to look to Lessee alone for the payment of all sums due hereunder and the fulfillment of all covenants on the part of Lessee hereunder, with the same force and effect as if such assignment or sublease had not been executed. Whenever reference is made or implied in this lease to assignees of the Lessee, it shall be deemed to refer exclusively to such assignees or sublessees and to be limited by the provisions of this paragraph.

14. Before Lessee shall do any geophysical exploration on the land hereby leased or any part thereof, Lessee shall give Walker Louisiana Properties written notice of his intention to do so, and the time Lessee intends to begin said work and the name and address of any agent, if any, he employs to do said work. Lessee shall also give Walker Louisiana Properties written notice when said geophysical work has been completed and in no event shall any geophysical exploration be done except by Lessee or an agent or contractor engaged by Lessee.

15. At Lessor's risk, Lessor or its agents, shall at all times have access to the derrick floor of any well or wells being drilled. Lessee obligates himself to notify Walker Louisiana Properties in writing as to all of his operations on the leased premises, which shall include by way of specification but not limitation, the dates of commencing of drilling of wells, the dates of completion and abandonment of wells, the dates of cessation of operations, the dates of resumption of operations, the dates of commencement of reworking operations, the dates of capping of gas wells, the furnishing of true copies of well drilling program, logs and records, core analyses, Micrologs, Schlumberger Surveys, electrical or other well surveys, and the furnishing of all other data which may be helpful to Lessor in keeping informed as to the manner in which Lessee is complying with his obligations hereunder, provided that if Lessor is present or has a representative present at the well site when a well is logged, a field print of the log shall be delivered to Lessor or Lessor's representative upon oral request therefor, but otherwise Lessee shall not be in default for failure to furnish the items specified in this section to Lessor until after the Lessor shall have made written request on Lessee therefor and Lessee shall have failed to comply promptly with such request.

16. No change in the ownership of the land or any interest therein shall impair the effectiveness of payments made to Lessor herein named as provided herein unless Lessee shall have been furnished thirty (30) days before payment is due, with a certified copy of the recorded instrument or judgment evidencing such transfer, inheritance or sale or evidence of such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance.

17. If, after the discovery and production of minerals from the land Lessor considers that operations are not being conducted to develop the property for the mineral so discovered, or to protect its land from drainage, Lessee shall be notified in writing of the facts relied upon as constituting a breach hereof and Lessee shall have sixty (60) days after receipt of such notice to comply with the obligations imposed by virtue of this instrument.

In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain each well then producing oil or gas in paying quantities and the acreage included in the block designated by Lessee for that well. If at the time of forfeiture of this lease, Lessee is then drilling or reworking a well on the leased premises, Lessee shall have the right to retain that well and the acreage contained in the unit for that well if a unit therefor has been created by the Commissioner of Conservation of the State of Louisiana, or if no such unit has been created for that well, Lessee shall have the right to retain 160 acres around that well. If the well is thereafter completed as a producer of oil in paying quantities, Lessee shall designate a producing block of 40 acres around that well and Lessee's rights as to the remainder of the 160 acres shall then terminate. Lessee shall have such rights of way

affecting the acreage released or forfeited actually in use at the time of the said release or forfeiture which are necessary for Lessee's operation on the land retained hereunder.

The right given hereby to retain each well producing oil or gas or being drilled or worked on, and the above stated acreage surrounding the same, shall not apply to a well or wells on which drilling shall have commenced after the lapse of sixty (60) days after any written demand by registered mail by Lessor to Lessee for further development of the property which such demand shall be found to be justified.

18. Lessor hereby warrants and agrees to defend the title to said land as to Lessor's own acts and agrees that Lessee may, at Lessee's option, discharge any tax, mortgage or other lien upon said land and in the event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest less than the entirety of the mineral rights in said land, then the royalties to be paid Lessor shall be reduced proportionately.

19. Lessee shall be responsible to Lessor and to Lessor's tenants for all damages caused by Lessee's operations, including, but not limited to, damages to the surface of the land, timber, crops, pastures, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells and improvements on said land. Lessee shall protect Lessor and hold Lessor harmless from and defend on behalf of Lessor any claim or claims by any person, firm or corporation resulting

from Lessee's operations hereunder regardless of the merit of any such claim.

20. In the event a party having an interest in this lease secures an examination of title to land herein leased, a copy of that title opinion shall be furnished Lessor on receipt by Lessee. If Lessor's title is subject to an adverse claim, Lessor shall, for a period of thirty (30) days following receipt of the title opinion showing such adverse claim, have the right to remove the title criticism involving the adverse claim after which thirty day period Lessee shall have the right to take a lease from others to protect Lessee's title. In the event a party having an interest in this lease surveys or secures abstracts, or supplements, on the whole or on any part of the leased acreage and this lease is forfeited or released in its entirety, a plat of such survey and/or abstracts or supplements will be furnished to Lessor without charge. Should a party having an interest in this lease drill a water well on the leased land, Lessor shall have the right, prior to the abandonment of that water well, to purchase such well and the equipment therein and thereon by paying Lessee the then salvage value of the equipment in and on such water well.

21. The requirements hereof are subject to any State or Federal law or order regulating operations on the land. It is agreed that should Lessee be prevented from complying with any expressed or implied covenant of this lease, or from conducting reworking or drilling operations thereon, or from producing oil, gas or other minerals therefrom by reason of act of God, flood, storm, fire, strike, labor trouble, riot, scarcity of, or inability (after effort made in good faith) to obtain equipment or material or authority to use the same, or by failure of carriers to transport or furnish facilities for transportation, or by operations of force majeure, any Federal or State law, order, rule or by regulation of governmental authority or other cause beyond Lessee's reasonable control, then Lessee shall so advise Lessor in writing, and during the period of such prevention, Lessee's obligation to comply with the provisions of this lease (except the requirements for payment of shut-in gas well rentals and royalties) shall be suspended and Lessee shall not be liable in damages for failure to comply therewith. Should such prevention occur at or after the expiration of the Primary Term of this lease, such term shall be extended as to the land involved in such prevention by rental payments in the amount provided in paragraph 9 hereof while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral as required by the terms of this lease, the first such rental being due thirty (30) days after the occurrence of such prevention.

22. Lessor shall have the continuing option to purchase at any time and from time to time all or any part of any oil, gas, casinghead gas, or other hydrocarbon substances that may be produced pursuant to the terms of this lease or which may be produced from or attributable or allocated to the lands covered

by this lease or any portion thereof whether by reason of such interest or portion being included in any pool or any pooling agreement or unit, planned or otherwise. Any hydrocarbons so purchased by Lessor shall be purchased at a price and on terms and conditions which are not less favorable than the terms, conditions, and prices obtainable by Lessee for the sale of such hydrocarbons on the date such production is available for sale. At such time as Lessee desires to sell any of the above production, Lessee shall notify Lessor of such fact. This option as to gas must be exercised by Lessor within sixty (60) days from the date the Lessee notifies Lessor that such gas is available for sale. If Lessor does not exercise such options within said period of time, Lessee shall have the exclusive right for a period of thirty (30) days thereafter to enter into a contract or contracts of sale with a third party (or parties). Upon the expiration of any such contract of sale so entered into, the option herein reserved to Lessee shall again become effective as herein provided. The option herein reserved as to oil shall be a continuing one in the sense that it may be exercised from time to time as to all or a portion of such production. During any period of time when Lessor is not purchasing oil pursuant to this option, Lessee shall have the right to sell or dispose of such oil, provided that any sale or disposition by Lessee shall be for a period not in excess of three (3) months. This option to purchase gas and/or oil may be exercised by AA Development Corporation, Tenneco Oil Company, Globe-Texas Company either together or by any one of them separately as to the entire interest covered by this lease.

23. This lease is made expressly subject to the provisions of a collateral letter executed by Lessor and Lessee contemporaneously with the execution of this lease.



24. All provisions hereof and of the collateral letter referred to in Paragraph 23 shall extend to and bind the successors and assigns of Lessor and shall also extend to and bind the sublessees, successors and assigns of Lessee.

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

WITNESSES:

Patsy Spawn  
Julia Layson  
Conn Biddle  
Barbara Duncan  
Jan Carter  
Shula Camp

WALKER LOUISIANA PROPERTIES

BY: AA DEVELOPMENT CORPORATION

By Keith Sheppard

GLOBE-TEXAS COMPANY

By Frank E. Austin, Jr.

TENNECO OIL COMPANY

By J. J. Sargent  
Sargent, Vice President

LESSOR

Barbara Duncan  
Jacquie D. Dunn

Charles E. Cusack, Jr.  
Charles E. Cusack, Jr.

LESSEE

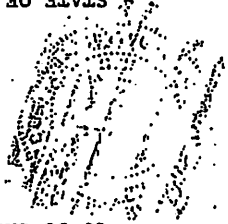
*[Signature]*  
NOTARY PUBLIC  
ZOE B. HURST  
Notary Public in and for Dallas County, Texas  
My Commission Expires 12/31/79



On this 19th day of March, 1979, before me appeared Frank E. Hurst, to me personally known, who, being by me duly sworn, did say that he is the President of GLOBE-TEXAS COMPANY and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said Frank E. Hurst acknowledged said instrument to be the free act and deed of said corporation.

STATE OF TEXAS  
COUNTY OF DALLAS

*[Signature]*  
NOTARY PUBLIC  
H. A. DOERFLIN  
Notary Public  
Dallas County, Texas  
My Commission Expires 8/31/80



On this 15th day of March, 1979, before me appeared KEITH D. SHEPPARD, to me personally known, who, being by me duly sworn, did say that he is the Senior Vice President of AA DEVELOPMENT CORPORATION and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said KEITH D. SHEPPARD acknowledged said instrument to be the free act and deed of said corporation.

STATE OF TEXAS  
COUNTY OF DALLAS

STATE OF TEXAS :

COUNTY OF HARRIS :

On this 28<sup>th</sup> day of March, 1979.

before me appeared L. L. SARGENT, to me personally known, who, being by me duly sworn, did say that he is the Vice President of TENNECO OIL COMPANY and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said L. L. SARGENT acknowledged said instrument to be the free act and deed of said corporation.

SUE SMITH  
Notary Public in and for Harris County, Texas  
My Commission Expires March 31, 1979

Sue Smith  
Notary Public

STATE OF \_\_\_\_\_ :

\_\_\_\_\_ OF \_\_\_\_\_ :

On this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ of \_\_\_\_\_ and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

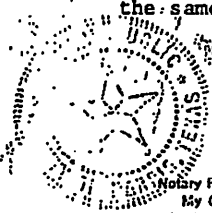
\_\_\_\_\_  
Notary Public

STATE OF TEXAS :

COUNTY OF HARRIS :

On this 12th day of April, 1979.

before me personally appeared Charles E. Cusack, Jr.  
to me known to be the person described in and who executed  
the foregoing instrument, and acknowledged that he executed  
the same as his free act and deed.



Rebecca S. Dinges  
Notary Public

REBECCA S. DINGES  
Notary Public in and for Harris County, Texas  
My Commission Expires 10/10/80  
Bonded by Alexander Lovell-Lawyers Surety Corporation

RECORDED: APRIL 18, 1979

Victor Hillebrand

CLERK OF COURT AND  
EX OFFICIO RECORDER

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CONVEYANCE

1903361  
110. La 2011.2  
955 Shreve.  
Chevron USA Inc.

STATE OF LOUISIANA  
PARISH OF CALCASIEU

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, WALKER LOUISIANA PROPERTIES, an operating entity composed of AA Development Corporation, Globe-Texas Company, and Tenneco Oil Company, as Lessor, executed a certain oil, gas and mineral lease in favor of GULF OIL CORPORATION, as Lessee, dated February 21, 1983, which lease is of record in Book 1745, Page 725 of the Conveyance Records of Calcasieu Parish, State of Louisiana; and

WHEREAS, the said lease has terminated or expired by its own terms and conditions.

NOW, THEREFORE, CHEVRON U.S.A. INC., A Pennsylvania corporation, successor in interest to GULF OIL CORPORATION, the record owner and holder of the above described oil, gas and mineral lease, does hereby recognize and declare that the said oil, gas and mineral lease has expired by its own terms, and the said CHEVRON U.S.A. INC. does hereby cancel, release, relinquish, surrender and quitclaim all of its right, title and interest in and to said contract of lease.

IN WITNESS WHEREOF, CHEVRON U.S.A. INC. has executed this instrument on the 18th day of June, 1986.

WITNESSES:

CHEVRON U.S.A. INC.

Daniel James White  
DANIEL JAMES WHITE  
Jacquelyn Ann Mitchell  
JACQUELYN ANN MITCHELL

By CR Lopez  
Assistant Secretary

OFFICE OF CLERK OF COURT  
CALCASIEU PARISH, LOUISIANA  
JUL 30 AM 9:25

STATE OF LOUISIANA  
PARISH OF ORLEANS

On this 27 day of July, 1986, before me appeared C. R. FAIZER, to me personally known, who, being by me duly sworn, did say that he is the Assistant Secretary of CHEVRON U.S.A. INC., a Pennsylvania corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said appearer acknowledged that he executed the same as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my official hand and seal on the date hereinabove written.

My Commission expires at death.

[Signature]  
Notary Public in and for  
Orleans Parish, Louisiana

3K6-7093

Recorded July 31, 1986

Victor H. [Signature]

Clerk of Court & Ex  
Officio Recorder

CONVEYANCE

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OIL AND GAS LEASE AFFECTING LANDS  
OPERATED BY WALKER LOUISIANA PROPERTIES

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THIS LEASE AGREEMENT is effective February 21, 1983, between WALKER LOUISIANA PROPERTIES, P. O. Box 1048, Lake Charles, Louisiana 70602, an operating entity composed of A/A DEVELOPMENT CORPORATION, a Texas corporation, GLOBE-TEXAS COMPANY, a Delaware corporation, and TENNECO OIL COMPANY, a Delaware corporation, owners, hereinafter referred to as "lessor," and GULF OIL Corporation, P. O. Box 1635, Houston, Texas 77251, hereinafter referred to as "Lessee,"

W I T N E S S E T H :

That,

1. Lessor, in consideration of a lease bonus of Twenty-two Thousand Two Hundred Fifty Dollars & No/100, (\$22,250.00) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, hereby leases and lets unto Lessee the lands described below for the purpose of investigating, exploring, prospecting, drilling and producing oil and gas, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon, necessary to produce, save, treat, transport said products produced from the leased lands; the land to which this lease applies is situated in the Parish of Calcasieu State of Louisiana and described as follows, to wit:

TOWNSHIP 11 SOUTH - RANGE 5 WEST

Section 16: SW/4 of SW/4 containing 40.37 acres.  
Section 17: E/2 of SW/4, SE/4 of NW/4, SE/4 of SE/4, E/2 of E/2 of SW/4 of SE/4 and E/2 of E/2 of NE/4 of SE/4 containing 182.13 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of one year from this date (called "primary term") and as long thereafter as oil or gas

Calcasieu Parish Louisiana  
May 2 10 21 AM '83  
GULF OIL CORPORATION  
LAND RECORDS UNIT  
P. O. BOX 1635  
HOUSTON, TEXAS 77251

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is produced from said land hereunder or operations are conducted, all as hereinafter provided.

3. Lessee's rights shall extend only to all formations lying above the deeper of the following:

(a) A depth of one hundred (100) feet below the maximum depth that has been drilled to by Lessee in any well, the actual drilling of which shall have been begun on the leased land, or on acreage pooled therewith during the primary term hereof, regardless of whether or not same proves to be productive of oil or gas in paying quantities.

(b) The stratigraphic equivalent of the base of the deepest producing formation encountered in the drilling of any well, the actual drilling of which shall have been begun on the leased land, or on acreage pooled therewith during the primary term hereof.

Lessor retains all of the oil and gas as to formations below said depth together with the full rights to investigate and explore for, develop, produce, save and remove same from the leased premises. Lessor and Lessee agree to enter into a recordable declaration following the completion or abandonment of the last well, the actual drilling of which shall have been begun on the leased land or acreage pooled therewith during the primary term fixing their respective rights under this paragraph.

4. As the principal consideration for the granting of this lease, Lessee is bound and obligated to commence on or before February 21, 1984 the actual drilling of a well in search of oil or gas at a location in the SE/4 of the NW/4 of Section 17, T11S-R5W

and to be thereafter prosecuted with diligence and without unnecessary delays to a depth of 14,200 feet or to a depth sufficient to test the "Hackberry Formation"

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P. O. BOX 1635  
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whichever is the lesser depth, or to a depth at which oil or gas in commercial quantities is encountered at a lesser depth, or unless at a lesser depth, heaving shale, excessive salt water flow or some other impenetrable formation or condition should be encountered making further drilling by ordinary methods impracticable; failure to so commence and to drill said well in the time and manner hereinabove specified will operate to forfeit all of Lessee's rights hereunder without the necessity of putting in default, but Lessee shall not be liable in damages for failure to so commence and drill said well in the time and manner provided.

5. For the consideration paid at the execution hereof, this lease shall remain in full force and effect during the primary term without any additional payment or without Lessee being required to conduct any operations on the land or acreage pooled therewith, except to drill the well provided for in paragraph 4 hereof and to drill such wells as might be necessary to protect the land from drainage as elsewhere provided for herein. After beginning the drilling of a well on the land or acreage pooled therewith before the end of the primary term and prior to discovery and production of minerals in paying quantities, Lessee may maintain the rights granted after the primary term hereof by continuing such operations without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another. If a well drilled on the leased premises or on acreage pooled therewith is abandoned more than sixty (60) days prior to the expiration of the primary term, the drilling of the next well on the leased land or acreage pooled therewith shall be deemed to have been timely commenced if commenced prior to the expiration of the primary term.

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6. (a) Upon the completion of an oil well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially forty (40) acres; and upon the completion of a gas well producing in paying quantities, Lessee shall designate a block out of the leased acreage containing substantially one hundred sixty (160) acres of the land covered by this lease. Each such block shall include and be in the vicinity of said well, and the shape of said block shall be established and fixed by Lessee. If at the completion of any well or subsequent thereto a drilling or producing unit for such well (whether larger or smaller) is created by order of the Commissioner of Conservation, the area of the block designated by Lessee shall coincide with the area of the unit fixed by the Commissioner of Conservation. The production obtained from said well shall thereafter maintain this lease in force only as to the area included in the block designated by Lessee in accordance herewith. The designation of each block shall be made by the execution and recordation of an instrument describing the well and the acreage comprising the block selected by Lessee, and said instrument shall be recorded in the Conveyance Records of the parish in which the land is located within thirty (30) days after the completion of the well and a copy mailed to Walker Louisiana Properties. In the event of the drilling and completion of subsequent wells on the land not located on a block or blocks previously created by Lessee in accordance with this paragraph, a new block shall be designated by Lessee as provided herein for each such producing well.

(b) On or before the expiration of six (6) months from the completion of the first well capable of producing minerals in paying quantities, Lessee in order to maintain its rights in force as to the lands located outside of the block surrounding said well, shall commence the actual drilling of a well on the

acreage not included in such block and thereafter continue such operations and drilling to completion or abandonment. If Lessee elects to drill an additional well or wells, Lessee may continue its rights in force as to all of the land held hereunder outside of the previously created producing blocks by conducting continuous operations in the sense that not more than six (6) months shall elapse between the completion or abandonment of one well and the commencement of the drilling of another until all of the land is included in producing blocks.

(c) In the event that the production on any block created in accordance with the provisions hereof should cease from any cause, this lease shall terminate as to the acreage included in such block, unless within sixty (60) days after such cessation Lessee shall commence additional drilling or reworking operations and continue such operations with diligence in an effort to restore production without the lapse of more than sixty (60) days between the abandonment of work on one well and the commencement of the drilling of another well; and so long as such continuous operations are being conducted it shall be considered for all purposes of this lease that the block affected is producing block.

7. The royalties to be paid by Lessee are: (a) on oil, including distillate and condensate, one-fourth (1/4) of that produced and saved from the said land, the same to be delivered at the wells or to the credit of Lessor into the pipe lines to which the wells may be connected. At Lessor's election to be exercised by thirty (30) days' written notice, Lessee shall from time to time, either (1) purchase any royalty oil in Lessee's possession, paying the market price therefor, or (2) deliver said royalty oil to Lessor in tanks furnished by Lessor and at Lessor's expense at the well. The market

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price of any royalty oil purchased by Lessee shall not be less than the prevailing market value for Gulf Coast Oil of like grade, character and quality; (b) if Lessee sells Lessor's share of oil produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price; (c) on gas, including casinghead gas and other vaporous or gaseous substances, used off the leased premises or sold by Lessee other than for the purposes hereinafter set forth, one-fourth (1/4) of the current market value as produced at the point of use or delivery in the field; (d) if Lessee sells gas produced from the leased premises in a bona fide arms-length transaction, the considerations received by Lessee shall be the market price. Lessor shall also have the right, upon thirty (30) days' written notice to Lessee, to obtain and receive Lessor's royalty gas in kind with the pipe line connections to be obtained or furnished by Lessor; (e) should Lessee sell gas to others for use in the manufacture of gasoline or other by-products or for the further use of such gas by the cycling or repressuring thereof, and should such sales be made for considerations other than a fixed price at the well, Lessor shall receive one-fourth (1/4) of the net amount payable to Lessee under such contract for gas produced from the lands held hereunder; or if said contract should provide for the delivery to Lessee of manufactured products, then Lessor shall be entitled to receive one-fourth (1/4) of such products. And it is further provided that should Lessee use gas produced from the land held hereunder in Lessee's own plant in the field, or having a direct pipe line connected with the field, for the manufacture or extraction of gasoline, sulphur, or other by-products, Lessor shall receive as royalty one-fourth (1/4) of the current market value at the plant of such gasoline, sulphur, or other by-products so manufactured or extracted after deducting the proportionate part of a fair and reasonable cost for extracting or manufacturing said gasoline, sulphur, or

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other by-products and, in addition thereto, one-fourth (1/4) of any amount received by Lessee for the sale at the plant of gas so used after the processing thereof, provided no deduction for extraction costs shall be made for liquid hydrocarbons recovered by use of drip, separator, or similar apparatus on the flow line of wells.

Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessor shall have the privilege at Lessor's risk and expense of using gas from any gas well on said land to operate power units on irrigation wells and/or lift pumps thereon.

The parties comprising Lessor direct that all royalty payments accruing under the lease be made to Walker Louisiana Properties, P. O. Box 1048, Lake Charles, Louisiana 70602.

8. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the lease premises, then in order to maintain the rights granted herein Lessee agrees to drill such offset wells as are necessary to protect the land covered hereby from drainage.

9. Should Lessee by the drilling of any well located on the land discover gas or gaseous substances which by surface test is determined to be capable of production in paying quantities but which Lessee is unable to market, or which although previously marketed Lessee is unable to continue to market because of lack of a reasonable market or marketing facilities or governmental restrictions, then Lessee will

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designate a 160 acre block around said well as provided in paragraph 6 and in order to maintain its rights as to the acreage included in said block, Lessee will pay within thirty (30) days after said well is shut in, that proportion of an annual delay rental of \$50.00 per acre attributable to Lessor's acreage in said block which the number of days from the end of such thirty (30) day period to the next anniversary date of this lease bears to three hundred sixty five, and Lessee shall have the right and option for two additional one year periods to maintain its rights as to land included in such block by payment of such annual delay rental for the number of acres covered by this lease and included in such block, and if Lessee makes such payments the block shall be considered as a producing block.

Rentals accruing under this paragraph may be paid or tendered to Walker Louisiana Properties or to the credit of Walker Louisiana Properties in the Calcasieu Marine National Bank, Account #01-026305-01, 844 Ryan Street, Lake Charles, Louisiana 70601 (which bank and its successors are Lessor's agent and shall continue as the depository for all such rentals payable hereunder regardless of changes in ownership of said land or the rentals). The payment or tender of rental may be made by check or draft of Lessee mailed or delivered to said Bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as Agent to receive such payments or tenders.

10. Shut-in gas well payment provided for in the foregoing paragraph may be paid or tendered to Walker Louisiana Properties or to its credit in the depository bank named therein,

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but Lessor hereby directs Lessee to make payment of the bonus and royalties required under the terms of this lease to Walker Louisiana Properties. All reports, notices, and information to be provided to Lessor, under the terms of this lease, shall be made or given to Walker Louisiana Properties.

11. Lessee at its option is hereby given the right and power without any further approval from Lessor to pool or combine the acreage covered by the lease, or any portion thereof, with other land in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said premises so as to promote the conservation of oil or gas in and under and that may be produced from said premises, or to comply with the spacing or unitization order of any regulatory body of the State of Louisiana or the United States having jurisdiction. Such pooling shall be of tracts which will form one contiguous body of land for each unit and shall not exceed substantially forty (40) acres each, surrounding each oil well, and substantially one hundred sixty (160) acres each for each gas or gas distillate well, unless a larger or smaller spacing pattern or a larger or smaller drilling or producing unit has been established by an order of a regulatory body of the State of Louisiana or of the United States for a particular well in which event the unit shall coincide with the unit established by said order for that well. Lessee shall execute and file for record in the conveyance records of the parish in which the land is located and mail to Walker Louisiana Properties an instrument identifying and describing the pooled acreage; and upon filing the unit shall thereby become effective. In lieu of the royalties elsewhere herein specified and subject to the provisions of Section 18 hereof, Lessor shall receive from production from the unit so pooled that portion of the royalties stipulated herein as the amount of its acreage placed in the

unit, or its royalty interest therein, bears to the total acreage so pooled in the particular unit involved. Drilling or reworking operations on or production from the land included in such pooled unit shall be treated as if operations were on or production were from the leased premises irrespective of the location of the unit well. If production is secured from a unit, the acreage within the producing unit shall be considered for all purposes hereof as if it were included in a separate producing block except that in respect to production from the unit, Lessee shall pay Lessor that proportion of the royalties stipulated herein as the amount of acreage covered hereby and placed in the unit bears to the total acreage in the unit. Any unit formed by Lessee pursuant to the provisions of this paragraph may be created either prior to, during, or after the drilling of the well which is then or thereafter becomes the unit well; and separate units may be created for oil and for gas even though the areas thereof overlap. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any acreage or lease upon which there is or may be an adverse claim; and Lessee may also re-form any unit to conform with an order of a Regulatory Body issued after said unit was originally established. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall identify and describe the lands included in the unit as revised and shall be filed for record in the Conveyance Records of the parish where the lands herein leased are situated and a copy mailed to Walker Louisiana Properties.

12. Within ninety (90) days after the completion or abandonment of each well, the land surrounding said well (the surface of which may have been disturbed by the operations hereunder) shall be restored by Lessee to as near its condition

prior to being so disturbed as is reasonably possible under the circumstances. If Lessee fails to fulfill his obligation after demand has been made to do so, Lessor may have the necessary work done to accomplish this at Lessee's cost, even if this lease has otherwise terminated. Lessee shall, no later than ninety (90) days after the expiration of this lease, remove all equipment, casing, tanks, pipe, fixtures and other property placed by Lessee on said land. Should Lessor be required to sue to enforce its rights set forth above in this paragraph, Lessor shall be entitled to recover reasonable attorneys' fees from Lessee. When required by Lessor, Lessee will bury all pipe lines one (1) foot below ordinary plow depth, and below all field ditches, and all pipe lines shall, at the option of Lessor, be constructed either above all irrigation canals or laterals or below by boring the bottoms of such canals or laterals; and no well shall be drilled within two hundred (200) feet of any residence, barn or irrigation water well now on said land without Lessor's written consent.

13. The rights of Lessee hereunder may not be assigned or subleased in whole or in part without the prior written consent of Walker Louisiana Properties, and then only upon the express qualification that without Lessor's express agreement to the contrary, such assignment or sublease when approved by Lessor shall not be deemed to modify any of the terms of this lease or to relieve Lessee from any of its obligations hereunder, and Lessor may continue to look to Lessee alone for the payment of all sums due hereunder and the fulfillment of all covenants on the part of Lessee hereunder, with the same force and effect as if such assignment or sublease had not been executed. Whenever reference is made or implied in this lease to assignees of the Lessee, it shall be deemed to refer exclusively to such assignees or sublessees and to be limited by the provisions of this paragraph. The



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undersigned owners of Walker Louisiana Properties hereby authorize such prior written consent to be made by Carl G. Patton, General Manager of Walker Louisiana Properties, or his successor.

14. Before Lessee shall do any geophysical exploration on the land hereby leased or any part thereof, Lessee shall give Walker Louisiana Properties written notice of his intention to do so, and the time Lessee intends to begin said work and the name and address of any agent, if any, he employs to do said work. Lessee shall also give Walker Louisiana Properties written notice when said geophysical work has been completed and in no event shall any geophysical exploration be done except by Lessee or an agent or contractor engaged by Lessee.

15. At Lessor's risk, Lessor or its agents, shall at all times have access to the derrick floor of any well or wells being drilled. Lessee obligates himself to notify Walker Louisiana Properties in writing as to all of his operations on the leased premises, which shall include by way of specification but not limitation, the dates of commencing of drilling of wells, the dates of completion and abandonment of wells, the dates of cessation of operations, the dates of resumption of operations, the dates of commencement of reworking operations, the dates of capping of gas wells, the furnishing of true copies of well drilling program, logs and records, core analyses, Micrologs, Schlumberger Surveys, electrical or other well surveys, and the furnishing of all other data which may be helpful to Lessor in keeping informed as to the manner in which Lessee is complying with his obligations hereunder, provided that if Lessor is present or has a representative present at the well site when a well is logged, a field print of the log shall be delivered to Lessor or Lessor's representative upon oral request therefor, but otherwise Lessee shall not be in default for failure to furnish the items specified in this section to Lessor until after the Lessor shall have made written request on Lessee therefor and Lessee shall have failed to comply promptly with such request.

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16. No change in the ownership of the land or any interest therein shall impair the effectiveness of payments made to Lessor herein named as provided herein unless Lessee shall have been furnished thirty (30) days before payment is due, with a certified copy of the recorded instrument or judgment evidencing such transfer, inheritance or sale or evidence of such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance.

17. If, after the discovery and production of minerals from the land Lessor considers that operations are not being conducted to develop the property for the mineral so discovered, or to protect its land from drainage, Lessee shall be notified in writing of the facts relied upon as constituting a breach hereof and Lessee shall have sixty (60) days after receipt of such notice to comply with the obligations imposed by virtue of this instrument.

In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain each well then producing oil or gas in paying quantities and the acreage included in the block designated by Lessee for that well. If at the time of forfeiture of this lease, Lessee is then drilling or reworking a well on the leased premises, Lessee shall have the right to retain that well and the acreage contained in the unit for that well if a unit therefor has been created by the Commissioner of Conservation of the State of Louisiana, or if no such unit has been created for that well, Lessee shall have the right to retain 160 acres around that well. If the well is thereafter completed as a producer of oil in paying quantities, Lessee shall designate a producing block of 40 acres around that well and Lessee's rights as to the remainder of the 160 acres shall then terminate. Lessee shall have such rights of way

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affecting the acreage released or forfeited actually in use at the time of the said release or forfeiture which are necessary for Lessee's operation on the land retained hereunder.

The right given hereby to retain each well producing oil or gas or being drilled or worked on, and the above stated acreage surrounding the same, shall not apply to a well or wells on which drilling shall have commenced after the lapse of sixty (60) days after any written demand by registered mail by Lessor to Lessee for further development of the property which such demand shall be found to be justified.

18. Lessor hereby warrants and agrees to defend the title to said land as to Lessor's own acts and agrees that Lessee may, at Lessee's option, discharge any tax, mortgage or other lien upon said land and in the event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest less than the entirety of the mineral rights in said land, then the royalties to be paid Lessor shall be reduced proportionately.

19. Lessee shall be responsible to Lessor and to Lessor's tenants for all damages caused by Lessee's operations, including, but not limited to, damages to the surface of the land, timber, crops, pastures, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells and improvements on said land. Lessee shall protect Lessor and hold Lessor harmless from and defend on behalf of Lessor any claim or claims by any person, firm or corporation resulting

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GULF OIL CORPORATION  
LAND RECORDS UNIT  
P. O. BOX 1635  
HOUSTON, TEXAS 77251

228776

from Lessee's operations hereunder regardless of the merit of any such claim.

20. In the event a party having an interest in this lease secures an examination of title to land herein leased, a copy of that title opinion shall be furnished Lessor on receipt by Lessee. If Lessor's title is subject to an adverse claim, Lessor shall, for a period of thirty (30) days following receipt of the title opinion showing such adverse claim, have the right to remove the title criticism involving the adverse claim after which thirty day period Lessee shall have the right to take a lease from others to protect Lessee's title. In the event a party having an interest in this lease surveys or secures abstracts, or supplements, on the whole or on any part of the leased acreage and this lease is forfeited or released in its entirety, a plat of such survey and/or abstracts or supplements will be furnished to Lessor without charge. Should a party having an interest in this lease drill a water well on the leased land, Lessor shall have the right, prior to the abandonment of that water well, to purchase such well and the equipment therein and thereon by paying Lessee the then salvage value of the equipment in and on such water well.

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21. The requirements hereof are subject to any State or Federal law or order regulating operations on the land. It is agreed that should Lessee be prevented from complying with any expressed or implied covenant of this lease, or from conducting reworking or drilling operations thereon, or from producing oil, gas or other minerals therefrom by reason of act of God, flood, storm, fire, strike, labor trouble, riot, scarcity of, or inability (after effort made in good faith) to obtain equipment or material or authority to use the same, or by failure of carriers to transport or furnish facilities for transportation, or by operations of force majeure, any Federal or State law, order, rule or by regulation of governmental authority or other cause beyond Lessee's reasonable control, then Lessee shall so advise Lessor in writing, and during the period of such prevention, Lessee's obligation to comply with the provisions of this lease (except the requirements for payment of shut-in gas well rentals and royalties) shall be suspended and Lessee shall not be liable in damages for failure to comply therewith. Should such prevention occur at or after the expiration of the Primary Term of this lease, such term shall be extended as to the land involved in such prevention by rental payments in the amount provided in paragraph 9 hereof while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral as required by the terms of this lease, the first such rental being due thirty (30) days after the occurrence of such prevention.

~~22. Lessor shall have the continuing option to purchase at any time and from time to time all or any part of any oil, gas, casinghead gas, or other hydrocarbon substances that may be produced pursuant to the terms of this lease or which may be produced from or attributable or allocated to the lands covered~~

by this lease or any portion thereof whether by reason of such interest or portion being included in any pool or any pooling agreement or unit, planned or otherwise. Any hydrocarbons so purchased by Lessor shall be purchased at a price and on terms and conditions which are not less favorable than the terms, conditions, and prices obtainable by Lessee for the sale of such hydrocarbons on the date such production is available for sale. At such time as Lessee desires to sell any of the above production, Lessee shall notify Lessor of such fact. This option as to gas must be exercised by Lessor within sixty (60) days from the date the Lessee notifies Lessor that such gas is available for sale. If Lessor does not exercise such options within said period of time, Lessee shall have the exclusive right for a period of thirty (30) days thereafter to enter into a contract or contracts of sale with a third party (or parties). Upon the expiration of any such contract of sale so entered into, the option herein reserved to Lessee shall again become effective as herein provided. The option herein reserved as to oil shall be a continuing one in the sense that it may be exercised from time to time as to all or a portion of such production. During any period of time when Lessor is not purchasing oil pursuant to this option, Lessee shall have the right to sell or dispose of such oil, provided that any sale or disposition by Lessee shall be for a period not in excess of three (3) months. This option to purchase gas and/or oil may be exercised by AA Development Corporation, Tenneco Oil Company, Globe-Texas Company either together or by any one of them separately as to the entire interest covered by this lease.

23. This lease is made expressly subject to the provisions of a collateral letter executed by Lessor and Lessee contemporaneously with the execution of this lease.

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GULF OIL CORPORATION  
LAND RECORDS UNIT  
P. O. BOX 1635  
HOUSTON, TEXAS 77251

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24. All provisions hereof and of the collateral letter referred to in Paragraph 23 shall extend to and bind the successors and assigns of Lessor and shall also extend to and bind the sublessees, successors and assigns of Lessee.

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

WITNESSES:

Rubene Reese  
K. Jane Stenwood  
John B. Hunt  
L. Ann Brannon  
David E. Threlk  
Victor Reul

WALKER LOUISIANA PROPERTIES

BY: AA DEVELOPMENT CORPORATION

By Keith D. Shepard  
Keith D. Shepard, Secretary

GLOBE-TEXAS COMPANY

By Frank E. Austin  
F.E.

TENNECO OIL COMPANY

By W. C. Melnar  
W. C. MELNAR  
VICE PRESIDENT  
LESSOR  
*Dem 1/11/63*

GULF OIL Corporation

Raymond M. Carr  
Beverly A. Burt  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]

LESSEE

*UB*  
*4/1/63*

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STATE OF TEXAS  
COUNTY OF DALLAS

On this 1st day of February, 1983,  
before me appeared KEITH D. SHEPPARD to me  
personally known, who, being by me duly sworn, did say that  
he is the Senior Vice President of AA DEVELOPMENT CORPORATION  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
KEITH D. SHEPPARD acknowledged said instrument  
to be the free act and deed of said corporation.

*expired: 2-10-86*

*Glenda A. Armstrong*  
NOTARY PUBLIC

STATE OF TEXAS  
COUNTY OF DALLAS

On this 2nd day of February, 1983,  
before me appeared Frank E. Curtis Jr. to me  
personally known, who, being by me duly sworn, did say that  
he is the President of GLOBE-TEXAS COMPANY  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
he acknowledged said instrument  
to be the free act and deed of said corporation.

*Deborah D. ...*  
NOTARY PUBLIC



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STATE OF TEXAS  
COUNTY OF HARRIS

On this 16<sup>th</sup> day of February, 1983,  
before me appeared W. C. MELNAR, to me  
personally known, who, being by me duly sworn, did say that he  
is the Vice President of TENNECO OIL COMPANY  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
W. C. MELNAR acknowledged said instrument to  
be the free act and deed of said corporation.

SUE SMITH  
My Commission Expires  
March 31, 1985

Sue Smith  
Notary Public

STATE OF Texas  
County OF Harris

On this 15<sup>th</sup> day of April, 1983,  
before me appeared R. N. Brantlett, to me  
personally known, who, being by me duly sworn, did say that he  
is the Attorney In Fact of Gulf Oil Corporation  
and that the foregoing instrument was signed in behalf of said  
corporation by authority of its Board of Directors and said  
R. N. Brantlett acknowledged said instrument  
to be the free act and deed of said corporation.

KATHLEEN A. DAY  
Notary Public in and for the State of Texas  
My Commission Expires 4-20-85

Kathleen A. Day  
Notary Public





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STATE OF TEXAS     §  
                              §  
COUNTY OF BEXAR   §

BEFORE ME, Judith L. Warfield, a Notary Public in and for said County and State, on this 19th day of May, 1981, personally appeared Donald D. Anderson, Jr., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

  
NOTARY PUBLIC IN AND FOR  
BEXAR COUNTY, TEXAS

My Commission Expires:

5-31-81





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THE STATE OF LOUISIANA I  
PARISH OF ORLEANS . I

BEFORE ME, the undersigned authority, on this day personally appeared  
GERTRUDE W. HAWKINS and H. L. HAWKINS, JR, to me known to be the persons  
described in and who executed the foregoing instrument and acknowledged that  
they executed the same as their free act and deed, this 8th day of February, 1978,

My commission is for life.

*August L. Mesa*  
NOTARY PUBLIC, in and for  
Orleans Parish, Louisiana

RECORDED:  
DECEMBER 10, 1982 *Victor Hillman* CLERK OF COURT &  
EX OFFICIO RECORDER

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10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon the land and be subrogated thereto and have the right to apply to the repayment of Lessee any rentals and/or royalties accruing hereunder. If Lessor owns less than the entire undivided interest in all or any portion of the lands or mineral rights relating thereto (whether such interest is herein specified or not) rentals and royalties as to the land in which an interest is outstanding in others shall be reduced proportionately to the interest of the Lessor therein, but the failure of Lessee to reduce rentals shall not affect Lessee's right to reduce royalties; and all outstanding royalty rights shall be deducted from the royalties herein provided for. Lessee shall have the right to purchase a lease or leases from others to protect its leasehold rights and shall not thereby be held to have disputed Lessor's title; and in the event Lessor's title or an interest therein is claimed by others, Lessee shall have the right to withhold payment of royalties or to deposit such royalties in the registry of the Court until final determination of Lessor's rights.

11. In the event that Lessor at any time considers that operations are not being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if legally required to conduct operations in order to maintain the lease in force, shall have sixty (60) days after receipt of such notice in which to commence the necessary operations to comply with the requirements hereof.

12. If the land herein described is owned in divided or undivided portions by more than one party, this instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this lease; and the failure of any party named herein as Lessor to sign this lease shall not affect its validity as to those whose signatures appear hereon or on a counterpart hereof.

13. The requirements hereof shall be subject to any State and/or Federal law or order regulating operations on the land. It is further agreed that should Lessee be prevented from complying with any expressed or implied covenants of this lease, from conducting drilling or reworking operations thereon, or from producing oil, gas or other mineral therefrom by reason of scarcity or inability, after efforts made in good faith, to obtain equipment or material or authority to use same, or by failure of carriers to transport or furnish facilities for transportation, or by operation of force majeure, any federal or state law, or any order, rule or regulation of governmental authority, or other cause beyond Lessee's control, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises and the time while Lessee is so prevented shall not be counted against Lessee.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

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

WITNESSES:

*[Signature]*  
Alba Moore Matthews

*[Signature]*  
Alba Moore Matthews

STATE OF LOUISIANA

PARISH OF LAFAYETTE

BEFORE ME, the undersigned Notary Public, on this day personally appeared L. A. FITCH who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument and that the same was signed by Alba Moore Matthews

(Lessor, as above mentioned) in his presence and in the presence of the other subscribing witness(es).

SWORN TO AND SUBSCRIBED before me March 2, 1959

*[Signature]*  
Notary Public in and for Lafayette Parish, Louisiana.

RECORDED: March 20, 1959

*[Signature]*

CLERK OF COURT & EX OFFICIO RECORDER

24-1100-1105, 6-28-10-Class 1

CONVEYANCE

Charles A. Courts, Lafayette

ASSIGNMENT OF OIL, GAS AND MINERAL LEASE 161-7580

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, RUSSELL WADE, married to and living with Lorraine Cook

herein called "Assignor" (whether one or more), for good and valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, transfers, assigns and conveys to SOTO PETROLEUM COMPANY, an Ohio corporation

herein called "Assignee," that certain oil, gas and mineral lease dated February 26, 1959, recorded in Volume of the Records of Calcasieu Parish, Louisiana, and bearing File No. from Alba Moore Matthews

Russell Wade, as lessor, to

Calcasieu, as lessee, insofar as said lease covers the following described land in the Parish of Calcasieu, State of Louisiana, to-wit:

That certain tract or parcel of land containing 5.42 acres, more or less, being situated in the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 17, Township 11 South, Range 5 West, and being bounded now or formerly as follows, to-wit: North by lands of Pan American Petroleum Corporation; South by lands of W. E. Walker; East by lands of Louise Camilleaux Gaspard; and West by lands of A. O. Fontenot Estate; being the same land acquired by Alba Moore Matthews by Act of Donation dated April 30, 1950, recorded in Conveyance Book 473, page 424, records of Calcasieu Parish, Louisiana.

OFFICE OF CLERK OF COURT  
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CALCASIEU PARISH, LOUISIANA

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together with all rights thereunder and incident thereto and together with all personal property thereon, appurtenant thereto and used or obtained in connection therewith.

For the same consideration, Assignor covenants and warrants with Assignee, its heirs, personal representatives, successors and assigns, insofar as said lease and rights affect the land and property described above, that Assignor is the lawful owner of said lease and all rights thereunder and incident thereto and of said personal property; that said lease, rights and property are free and clear of all liens, encumbrances and adverse claims; that Assignor has good right and full authority to sell and convey the same; that said lease is valid and subsisting and in full force and effect; that all rentals and royalties heretofore becoming due or payable thereunder have been duly and timely paid; that all conditions of said lease required to be performed prior to the date hereof have been duly performed; and that Assignor will warrant and forever defend all and singular the said lease, rights and interests against the lawful claims and demands of all persons whomsoever.

EXECUTED this 2nd day of March, 1959

WITNESSES:

Elaine R. Ritchey } Russell Wade  
Missions - Lake Charles }  
\_\_\_\_\_  
\_\_\_\_\_ }

Internal Revenue Stamp  
Not Required

- 29

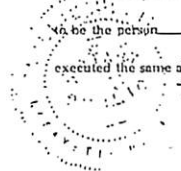
INDIVIDUAL ACKNOWLEDGMENT

STATE OF LOUISIANA } ss.  
PARISH OF LAFAYETTE }

On this 2nd day of March, 1959, before me personally appeared

Russell Wade to me known

to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.



Pauline M. Jitch  
Notary Public.

RECORDED: March 20, 1959

Victor Killebrew

CLERK OF COURT &  
EX OFFICIO RECORDER

LAW AND NOTARIAL OFFICES OF  
**EDWIN F. GAYLE**  
500 BROAD STREET  
LAKE CHARLES, LOUISIANA

STATE OF LOUISIANA  
PARISH OF CALCASIEU

CONVEYANCE

Before me, Notary, and the undersigned competent witnesses, on this day personally came and appeared FRANK R. EZELL and his wife, MRS. FLORENCE E. EZELL, born Deriso, residents of 1921 N. Simmons Street, Lake Charles,

Calcasieu Parish, Louisiana, who declared unto me, Notary, that for the sum of ONE THOUSAND FIVE HUNDRED TWENTY & NO/100 (\$1,520.00) DOLLARS AND OTHER CONSIDERATION EDWIN F. GAYLE, cash in hand paid, receipt of which is hereby acknowledged, they do have presents, sell, convey, transfer and deliver, and ~~has~~ sold, conveyed, transferred and delivered unto the said EDWIN F. GAYLE, a married man, living with his second wife, Rosa Frances Gayle, born Overton, between whom, by ante-nuptial agreement, no community exists, resident of the City of Lake Charles,

Calcasieu Parish, Louisiana, here present, accepting for himself, his heirs, administrators and assigns, the following described lot or parcel of land situated in the Parish of Calcasieu, State of Louisiana, to-wit:

195  
192  
7. Gayle - City

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THE STATE OF LOUISIANA  
DEPARTMENT OF REVENUE  
FORM 48 CONVEYANCE SOUTH  
LOUISIANA REVISED FIVE IS-POOLING

### CONVEYANCE OIL, GAS AND MINERAL LEASE

161-7580900

THIS AGREEMENT, entered into effective as of February 26, 1959,

by and between ALBA MOORE MATTHEWS, born Moore, married to and living with Lewis F. Matthews, her first and only husband, dealing herein with her separate and paraphernal property, whose address is P. O. Box 66, Hayes, Louisiana,

758090

herein called "Lessor" (whether one or more) and RUSSELL WADE, P.O. Box 1649, Oil Center Station, Lafayette, Louisiana hereinafter called "Lessee", witnesseth, that:

Lessor, in consideration of the sum of Two Hundred Seventy-one & No/100 Dollars (\$ 271.00), hereby leases and lets unto Lessee, the exclusive right to enter upon and use the land hereinafter described for the exploration for, and production of, oil, gas, sulphur and all other minerals, together with the use of the surface of the land for all purposes incident to the exploration for and production, ownership, possession, storage and transportation of said minerals (either from said land or acreage pooled therewith), and the right to dispose of salt water, with the right of ingress and egress to and from said lands at all times for such purposes, including the right to construct, maintain and use roads and/or canals thereon for operations hereunder or in connection with similar operations on adjoining land, and including the right to remove from the land any property placed by Lessee thereon and to draw and remove casing from wells drilled by Lessee on said land; the land to which this lease applies and which is affected hereby being situated in Calcasieu Parish, Louisiana, and described as follows, to-wit:

That certain tract or parcel of land containing 5.42 acres, more or less, being situated in the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$  of SE $\frac{1}{4}$ ) of Section 17, Township 11 South, Range 5 West, and being bounded now or formerly as follows, to-wit: North by lands of Pan American Petroleum Corporation South by lands of W. E. Walker; East by lands of Louise Camilleaux Gaspard; and West by lands of A. G. Fontenot Estate; being the same land acquired by Alba Moore Matthews by Act of Donation dated April 30, 1950, recorded in Conveyance Book 473, page 424, records of Calcasieu Parish, Louisiana.

OFFICE OF CLERK OF COURT  
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CALCASIEU PARISH LOUISIANA



All land owned by the Lessor in the above mentioned Section or Sections or Surveys, all property acquired by prescription and all accretion or alluvion attaching to and forming a part of said land are included herein, whether properly or specifically described or not. Whether or not any reduction in rentals shall have previously been made, this lease, without further evidence thereof, shall immediately attach to and affect any and all rights, titles and interests in the above described land, including reversionary mineral rights, hereafter acquired by or inuring to Lessor and Lessor's successors and assigns.

For the purpose of calculating the payments hereinafter provided for, the above described land is estimated to comprise 5.42 acres, whether it actually comprises more or less.

This lease shall be for a term of Five (5) years and No months from the date hereof (called "primary term") and so long thereafter as oil, gas or some other mineral is being produced or drilling operations are conducted either on this land or on acreage pooled therewith, all as hereinafter provided for; all subject to the following conditions and agreements:

1. This lease shall terminate on February 26, 1960 unless on or before said date the Lessee either (1) commences operations for the drilling of a well on the land, or on acreage pooled therewith, in search of oil, gas or other minerals and thereafter continues such operations and drilling to completion or abandonment; or (2) pays to the Lessor a rental of Fifty & No/100 Dollars (\$ 50.00) per acre for all or that part of the land which Lessee elects to continue to hold hereunder, which payment shall maintain Lessee's right in effect as to such land without drilling operations for one year from the date last above mentioned; and Lessee may continue to maintain the rights granted without drilling operations for successive twelve months' periods (during the primary term) by paying Lessor, on or before the beginning of such respective periods Fifty & No/100 Dollars (\$ 50.00) per acre for all or that part of the land held hereunder. Payments may be made to the Lessor or may be mailed or delivered for deposit to Lessor's credit in the Calcasieu-Marine National Bank of Welsh, Louisiana which Bank or its successor shall continue to be the depository for such rentals as the representative of Lessor and Lessor's successors and assigns; and the

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death or incapacity of Lessor shall not terminate or affect Lessee's right to continue to deposit all payments in said depository bank or its successor. The mailing of the check or draft of Lessee or Lessee's successors to Lessor at the address set forth above or to the said bank on or before the rental paying date shall be considered as payment of rental and check or draft to maintain Lessee's right in force and effect. Should said bank fail or liquidate, or if it should for any reason fail or refuse to accept Lessee's check or draft, the attempted payment in the manner above provided shall not be thereby rendered ineffective and Lessee shall not be in default for failure to pay said rental until thirty (30) days after Lessor shall have furnished Lessee with a recordable instrument naming a new depository; and this provision shall apply to all such new and subsequently named depositories. Wherever used in this lease, "operations for drilling", "drilling operations" and "operations" shall be deemed to have been commenced when work is commenced or materials placed on the ground at or near the well site preparatory to the drilling of a well.

2. Lessee at its option, is hereby given the right and power without any further approval from Lessor to pool or combine the land or mineral interest covered by this lease, or any portion thereof, with other land, lease or leases and mineral interests in the immediate vicinity thereof, when, in Lessor's judgment, it is necessary or advisable to do so in order to properly develop and operate said premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, to prevent waste, to avoid the drilling of unnecessary wells, or to comply with the spacing or unitization order of any Regulatory Body of the State of Louisiana or the United States having jurisdiction. The term "Regulatory Body" shall include any governmental tribunal or group (civil or military) issuing orders governing the drilling of wells or the production of minerals, irrespective of whether said orders are designed to promote conservation or to conserve materials or equipment for National Defense or similar purposes. Such pooling shall be of tracts which will form one contiguous body of land for each unit and the unit or units so created shall not exceed substantially forty (40) acres each, surrounding each oil well and substantially one hundred sixty (160) acres each for each gas or gas-distillate well, unless a larger spacing pattern or larger drilling or production units (including a field or pool unit) have been fixed and established by an order of a Regulatory Body of the State of Louisiana or of the United States, in which event the unit or units may be of the size fixed by said order. Lessee shall execute and record in the Conveyance Records of the Parish in which the land herein leased is situated an instrument identifying and describing the pooled acreage; and upon such execution, the unit or units shall thereby become effective, except that when a unit is created by order of a Regulatory Body, the pooling declaration shall be effective as of the effective date of such order. The royalties herein elsewhere specified, and subject to the provisions of Paragraph 10 hereof, shall be computed only on the proportionate part of the production from any pooled unit that is allocated to the land herein described; and unless otherwise allocated by order of a Regulatory Body, the amount of production to be so allocated from each pooled unit shall be that proportion of such total production that the surface area of the land affected hereby and included within the unit bears to the total surface area of all the lands within such pooled unit. Drilling or reworking operations on or production of oil, gas, sulphur or other minerals from land included in such pooled unit shall have the effect of continuing this lease in force and effect during or after the primary term as to all of the land covered hereby (including any portion of said land not included in said unit) whether or not such operations be on or such production be from land covered hereby. Any unit formed by Lessee hereunder may be created either prior to the drilling or after the completion of the unit well; and separate units may be created for oil and for gas even though the areas thereof overlap. The failure of the leasehold title (in whole or in part) of any tract within a pooled unit shall not affect the validity of said unit as to the tracts or interests not subject to such failure, but the unit may be revised as hereinafter provided. Lessee shall have the right and power to reduce and diminish the extent of any unit created under the terms of this paragraph so as to eliminate from said unit any interest or lease to which title has failed or upon which there is or may be an adverse claim; and Lessee may also reform any unit to conform with an order of a Regulatory Body issued after said unit was originally established. Such revision of the unit shall be evidenced by an instrument in writing executed by Lessee, which shall identify and describe the lands included in the unit as revised and shall be recorded in Conveyance Records of the Parish where the lands herein leased are situated. The revised declaration shall not be retroactive but shall be effective as of the date that it is filed for recording, except that if the unit is reformed to comply with an order of a Regulatory Body, the declaration shall be effective as of the date of such order.

3. Lessee may, at any time prior to or after the discovery and production of minerals on the land, execute and deliver to Lessor or place of record a release or releases of any portion or portions of the lands or any stratum or strata and be relieved of all requirements hereof as to the land, stratum or strata so released; and, in the event of a release of all strata under a segregated portion of the land during the primary term, the rental shall be reduced proportionately, according to acreage. In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain around each well then producing oil, gas, or other minerals or being drilled or worked on the number of acres fixed and located by the spacing or unit order of any Regulatory Body of the State of Louisiana or of the United States under which said well is being drilled or produced, or if said well has been or is being drilled on a unit pooled by Lessee as provided herein, then Lessee may retain all of the acreage comprising said pooled unit; and if no spacing order has been issued nor any pooled unit established, then Lessee shall have the right to retain forty (40) acres surrounding each well then producing or being drilled or worked on, such forty acres to be in as near a square form as is practicable. Lessee shall have such rights of way or servitudes affecting the acreage released or forfeited as are necessary for Lessee's operations on the land retained hereunder.

4. After beginning operations on the lands or an acreage pooled therewith (or with any part thereof) and prior to the discovery and production of minerals in paying quantities, Lessee may maintain the rights granted during and after the primary term by continuing such operations without the lapse of more than ninety (90) days between abandonment of work on one well and beginning operations for drilling another; and during the primary term such operations may be discontinued and the rights granted maintained by commencing or resuming rental payments, by paying within ninety (90) days from the discontinuance of operations (regardless of the fixed rental paying date) the proportion of the fixed yearly rental that the number of days between the end of said ninety (90) days and the next ensuing rental paying date bears to the twelve month period; but, if said ninety (90) days should expire during any year for which rental or other payment has been made, no rental shall be due until the next fixed rental paying date.

5. If, prior to or after the discovery of oil or gas on the lands held hereunder, a well producing oil or gas in paying quantities for thirty (30) consecutive days is brought in on adjacent lands not owned by the Lessor and not forming a pooled unit containing a portion of the lands described herein, and within 330 feet of any line of the land held hereunder, Lessee, in order to maintain the rights granted, shall thereafter begin and prosecute with reasonable diligence the drilling of a well in an effort to discover oil or gas thereby and to protect the land held hereunder from drainage.

6. After the discovery and production of oil, gas or any other mineral in paying quantities, either on the leased premises or on lands pooled therewith, the rights granted shall be maintained in effect during and after the primary term and without the payment of the rentals hereinabove provided for so long as oil, gas, or some other mineral is being produced in paying quantities. It is provided, however, that if, after the discovery and production of oil, gas or other minerals in paying quantities, the production thereof should cease from any cause, and Lessee is not then engaged in drilling or reworking operations, this lease shall terminate unless Lessee resumes or resumes such production, or commences additional drilling, reworking or mining operations, within ninety (90) days thereafter and continues such operations without the lapse of more than ninety (90) days between abandonment of work on one well and commencement of reworking operations or operations for the drilling of another, in an effort to restore production of oil, gas or other minerals, or if during the primary term Lessee commences or resumes the payment of rentals in the manner hereinabove provided for in connection with the abandonment of wells drilled. Lessee shall not be required to produce more than one mineral, the production of any one mineral in paying quantities and with reasonable diligence being sufficient to maintain all of Lessee's rights. Should Lessee by the drilling of any well located on the land or on property pooled therewith, discover gas or gaseous substances capable of production in paying quantities but which Lessee is unable to produce (or which although previously produced, Lessee is unable to continue to produce) because of lack of a reasonable market or of marketing facilities or because of governmental restrictions, then Lessee's rights may be maintained, in the absence of production or drilling operations, by commencing or resuming rental payments at hereinafter provided for in connection with the drilling of a non-producing well; and should such conditions occur or exist after the primary term Lessee's rights may be further extended by the commencement, resumption or continuance of such payments at the rate and in the manner herein fixed for rental payments during the primary term; provided, however, that in no event shall Lessee's rights be so extended by rental payments and without drilling operations or production of oil, gas or some other mineral for more than five consecutive years.

7. Subject to the provisions of Paragraph 2 and 10 hereof the royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons one-eighth (1/8) of that produced and saved from the land and not used for fuel in conducting operations on the property (or on acreage pooled therewith) or in treating said oil to make it marketable; (b) on gas, 1/8 of the market value at the well of the gas used by Lessee in operations not connected with the land leased or any pooled unit containing a portion of said land; the royalty on gas sold by Lessee to be 1/8 of the amount realized at the well from such sales; (c) one-eighth (1/8) of the value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products to be computed by methods recognized in the industry; (d) One Dollar (\$1.00) for each ton of 2240 pounds of sulphur, payable when marketed; and (e) one-eighth (1/8) of the value of all other minerals mined and marketed. Oil royalties shall be delivered to Lessor free of expense at Lessor's option in tanks furnished by Lessor at the well or to Lessor's credit in any pipe line connected therewith. In the event Lessor does not furnish tanks for such royalty oil and no pipe line is connected with the well, Lessee may sell Lessor's royalty oil at the best market price obtainable and pay Lessor the price received, f. o. b. the leased property, less any severance or production tax imposed thereon.

Lessee shall have the right to inject gas, water, brine or other fluids into subsurface strata, and no royalties shall be due on any gas produced by Lessee and injected into subsurface strata through a well or wells located either on the land or on a unit comprising a portion of the land.

8. The Lessee shall be responsible for all damages to timber and growing crops of Lessor caused by Lessee's operations.

9. All provisions hereof shall extend to and bind the successors and assigns (in whole or in part) of Lessor and Lessee; but regardless of any actual or constructive notice on the part of Lessee, no change in the ownership of the land or any interest therein or change in the capacity or status of Lessor, whether resulting from sale, inheritance, interrelation, emancipation, attainment of majority, or otherwise, shall impose any additional burden on Lessee nor shall any change in ownership or in the status or capacity of Lessor impair the effectiveness of payments made to Lessor herein named unless the next record owner of said lease shall have been furnished, forty-five (45) days before payment is due, with certified copy of recorded instrument or judgment evidencing such transfer, inheritance or sale or evidence of such change in status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance. In the event of the assignment of this lease, either as to a segregated portion of the land or as to an undivided interest in the lease contract, delay rentals shall be apportioned among the several leasehold owners according to the surface area or the undivided interest of each, and default in payment by one shall not affect the rights of others. Any record owner of a divided or undivided interest in this lease may pay the entire rental payable hereunder and such payment shall be for the benefit of those holding leasehold rights hereunder. If at any time two or more persons are entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to some one of them; and if any one of them is entitled to participate in the rental payable hereunder, Lessee may pay or tender to him separately or to his separate credit in said depository and payment or tender to any participant in this lease shall maintain this lease as to such participant.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon the land and be subrogated thereto and have the right to apply to the repayment of Lessee any rentals and/or royalties accruing hereunder. If Lessor owns less than the entire undivided interest in all or any portion of the lands or mineral rights relating thereto (whether such interest is herein specified or not) rentals and royalties as to the land in which an interest is outstanding in others shall be reduced proportionately to the interest of the Lessor therein, but the failure of Lessee to reduce rentals shall not affect Lessee's rights to reduce royalties; and all outstanding royalty rights shall be deducted from the royalties herein provided for. Lessee shall have the right to purchase a lease or leases from others to protect its leasehold rights and shall not thereby be held to have disputed Lessor's title; and in the event Lessor's title or an interest therein is claimed by others, Lessee shall have the right to withhold payment of royalties or to deposit such royalties in the registry of the Court until final determination of Lessor's rights.

11. In the event that Lessor at any time considers that operations are not being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if legally required to conduct operations in order to maintain the lease in force, shall have sixty (60) days after receipt of such notice in which to commence the necessary operations to comply with the requirements hereof.

12. If the land herein described is owned in divided or undivided portions by more than one party, this instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this lease; and the failure of any party named herein as Lessor to sign this lease shall not affect its validity as to those whose signatures appear hereon or on a counterpart hereof.

13. The requirements hereof shall be subject to any State and/or Federal law or order regulating operations on the land. It is further agreed that should Lessee be prevented from complying with any expressed or implied covenants of this lease, from conducting drilling or reworking operations thereon, or from producing oil, gas or other mineral therefrom by reason of scarcity or inability, after effort made in good faith, to obtain equipment or material or authority to use same, or by failure of carriers to transport or furnish facilities for transportation, or by operation of force majeure, any federal or state law, or any order, rule or regulation of governmental authority, or other cause beyond Lessee's control, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises and the time while Lessee is so prevented shall not be counted against Lessee.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

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

WITNESSES:  
Alba Moore Matthews  
Alba Moore Matthews

STATE OF LOUISIANA  
 PARISH OF LAFAYETTE  
 BEFORE ME, the undersigned Notary Public, on this day personally appeared L. A. FITCH  
 who, being by me duly sworn, stated under oath that he was one of the subscribing witnesses to the foregoing instrument and that the same was signed by Alba Moore Matthews

(Lessor, as above mentioned) in his presence and in the presence of the other subscribing witness(es).  
 SWORN TO AND SUBSCRIBED before me March 2, 1959  
Opal Gene Dubois  
 Notary Public in and for Lafayette Parish, Louisiana.

RECORDED: March 20, 1959 Victor Hildebrand CLERK OF COURT & EX OFFICIO RECORDER

ASSIGNMENT OF OIL, GAS AND MINERAL LEASE 161-7580

KNOW ALL MEN BY THESE PRESENTS:  
 That the undersigned, RUSSELL WADE, married to and living with Lorraine Cook

herein called "Assignor" (whether one or more), for good and valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, transfers, assigns and conveys to SONO PETROLEUM COMPANY, an Ohio corporation

herein called "Assignee," that certain oil, gas and mineral lease dated February 26, 1959, recorded in Volume Calcasieu at Page \_\_\_\_\_ of the Records of Calcasieu Parish, Louisiana, and bearing File No. \_\_\_\_\_, from Alba Moore Matthews

Russell Wade, as lessor, to Calcasieu, as lessee, insofar as said lease covers the following described land in the Parish of Calcasieu, State of Louisiana, to-wit:

That certain tract or parcel of land containing 5.42 acres, more or less, being situated in the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$  of SE $\frac{1}{4}$ ) of Section 17, Township 11 South, Range 5 West, and being bounded now or formerly as follows, to-wit: North by lands of Pan American Petroleum Corporation; South by lands of W. E. Walker; East by lands of Louise Camilleaux Gaspard; and West by lands of A. O. Fontenot Estate; being the same land acquired by Alba Moore Matthews by Act of Donation dated April 30, 1950, recorded in Conveyance Book 473, page 424, records of Calcasieu Parish, Louisiana.

OFFICE OF CLERK OF COURT  
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 CALCASIEU PARISH, LOUISIANA

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CONVEYANCE

Rec. + Plat } 523  
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OFFICE OF PUBLIC ACCOUNT  
FEB 5 2 37 PM '59  
CALCASIEU PARISH, LOUISIANA

753167

STATE OF LOUISIANA |  
PARISH OF CALCASIEU |

WHEREAS, W. E. Walker, hereinafter referred to as "LESSOR", is the owner of the following described property located in Calcasieu Parish, Louisiana, to-wit:

81213

South Half of Southeast Quarter (S $\frac{1}{2}$  of SE $\frac{1}{4}$ ),  
Section 18, Township 11 South, Range 5 West,  
Calcasieu Parish, Louisiana;

WHEREAS, the aforesaid land, among other lands, is included in and subject to an oil and gas lease granted by the Calcasieu National Bank in Lake Charles and Calcasieu Real Estate and Oil Company, Inc. in favor of Shell Petroleum Corporation, dated May 19, 1938, recorded in Conveyance Book 309, page 166 of the records of Calcasieu Parish, Louisiana, and in Volume 78, page 570, of the Conveyance Records of Jefferson Davis Parish, Louisiana, which lease, insofar as same covers and affects the above described lands, among other lands, is presently owned by Gulf Oil Corporation, hereinafter referred to as "LESSEE", and is presently in full force and effect; and,

WHEREAS, Lessee has heretofore secured from the Department of Conservation for the State of Louisiana authority to drill on said lands a well for the disposal of salt water, said permit having been granted on March 3, 1957, and said well having been completed as a salt water disposal well at a depth of 2565 feet on March 26, 1957; and,

WHEREAS, Lessee wishes to use said well for the disposal of salt water produced from wells now owned or which in the future may be owned by Lessee, or its assigns, in what is now known as Hayes Field, Calcasieu and Jefferson Davis Parishes, Louisiana;

NOW, THEREFORE, in consideration of the premises and of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations, this day paid to Lessor by Lessee, the receipt and adequacy of which are hereby acknowledged, it is agreed by and between the said Lessor and Lessee as follows, to-wit:

1. Lessee is hereby granted the right to use the aforesaid well as a well for the disposal of salt water produced by any and all wells now owned or which in the future may be owned by Lessee, or its assigns, in what is now known as Hayes Field, Calcasieu and Jefferson Davis Parishes, Louisiana, with all rights of ingress and egress to and from said well, together with the exclusive use of the surface of the following described land, to-wit:

Commencing at the Southeast corner of Section 18, Township 11 South, Range 5 West, Calcasieu Parish, Louisiana; thence North along the East line of said Section 1116.18 feet; thence North  $89^{\circ} 30'$  West 905.07 feet to the point of beginning;

Thence North  $89^{\circ} 30'$  West 331.5 feet to a point for a corner;

Thence North  $60^{\circ} 30'$  East 216.1 feet to a point for a corner;

Thence South  $89^{\circ} 30' 18''$  East 361.5 feet to a point for a corner; thence South  $00^{\circ} 30'$  West 216.5 feet to the point of beginning; containing 1.77 acres.

All bearings referred to herein are Grid bearings based upon Louisiana Coordinate system South Zone.

The above described tract of land is outlined in "red" on Exhibit "A" attached hereto and made a part hereof;

For the purpose of constructing, installing and maintaining on said tract of land, roads, pipe lines and all other facilities and equipment necessary and useful in the operation of said well as a salt water disposal well in the disposal of salt water produced from any and all wells now owned or which in the future may be owned by Lessee or its assigns, in the above mentioned field.

2. Lessor also grants to Lessee the right to lay, operate, control, maintain, repair, renew and remove pipe lines, electric power and communication lines over and across adjoining land owned by Lessor

STATE OF LOUISIANA  
PARISH OF Natchitoches

BEFORE ME, the undersigned Notary Public, on this day personally appeared Margaret A. Berry, who, being by me duly sworn, stated under oath that she was one of the subscribing witnesses to the foregoing instrument, and that the same was signed by W. E. Walker in her presence and in the presence of Bristol Thomas, the other subscribing witness.

Margaret A. Berry  
Witness

Sworn to and subscribed before me, this the 21 day of January, 1959.

Erie Nell Rolfe  
Notary Public in and for  
Parish, Louisiana.

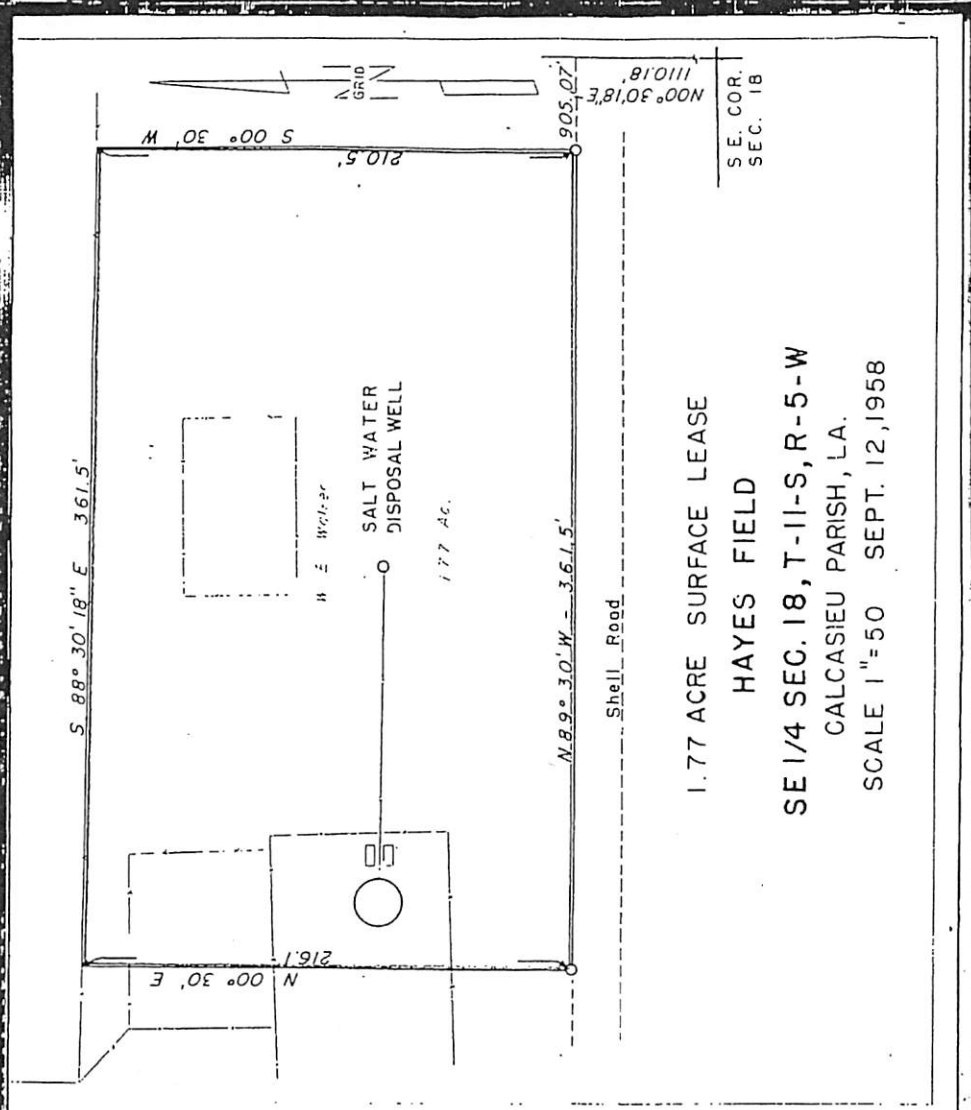
ERIE NELL ROLFE  
Notary Public, Parish of

STATE OF LOUISIANA  
PARISH OF ORLEANS

On this 6<sup>th</sup> day of January, 1959, before me appeared R. A. Payne to me personally known, who, being by me duly sworn, did say that he is the Attorney-in-Fact of Gulf Oil Corporation and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said R. A. Payne acknowledged said instrument to be the free act and deed of said corporation.

Elliot Ross Buckley  
Notary Public in and for Orleans Parish,  
Louisiana.

8798



1.77 ACRE SURFACE LEASE  
 HAYES FIELD  
 SE 1/4 SEC. 18, T-11-S, R-5-W  
 CALCASIEU PARISH, LA.  
 SCALE 1"=50 SEPT. 12, 1958

S. E. COR.  
 SEC. 18

RECORDED: FEBRUARY 6, 1959

*Otton Hillman*

CLERK OF COURT &  
 EX OFFICIO RECORDER



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1221846

# CONVEYANCE

RELEASE OF OIL, GAS AND MINERAL LEASE

THE STATE OF LOUISIANA \*  
PARISH OF CALCASIEU AND \*  
JEFFERSON DAVIS \*

KNOW ALL MEN BY THESE PRESENTS THAT:

COASTAL STATES GAS PRODUCING COMPANY, a Delaware Corporation, for one dollar cash in hand paid and other valuable consideration, the receipt of which is hereby acknowledged, does hereby release, relinquish and surrender to the lessors therein named, their heirs or assigns, all of its right, title and interest in and to the Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto and made a part hereof.

EXECUTED this the 20 day of July, A. D., 1971.

ATTEST:  
By [Signature]  
Assistant Secretary

COASTAL STATES GAS PRODUCING COMPANY  
By [Signature]  
Vice President

WITNESSES:  
[Signature]  
[Signature]

OFFICE OF CLERK OF COURT  
SEP 15 9 30 AM '71  
CALCASIEU-LOUISIANA

THE STATE OF TEXAS \*  
COUNTY OF NUECES \*

ON THIS 20th day of July, 1971, before me appeared \_\_\_\_\_

G. L. RICHARDS to me personally known, who, being by me duly sworn, did say that he is the Vice President of COASTAL STATES GAS PRODUCING COMPANY, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and said G. L. RICHARDS acknowledged said instruments to be the free act and deed of said corporation.

[Signature]  
Notary Public, Nueces County, Texas

My commission expires:  
June 1, 1973

Coastal States Gas Producing Co. Box 52088 O.C.S. Lafayette, La.

EXHIBIT "A"

PAGE ONE

Release of Oil, Gas and Mineral Leases  
S. E. Hayes Field  
Calcasieu and Jefferson Davis Parishes, Louisiana

| Lease No. | Lessor                                                                                                | Lessee                                                                               | Date                       | ENTRY NO.                   | Recorded           |                   | Acres          |
|-----------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------------|-------------------|----------------|
|           |                                                                                                       |                                                                                      |                            |                             | Bk.                | Pg.               |                |
| 1900      | Estelle Lognon O'Meara                                                                                | Charles E. Cusack, Jr.                                                               | 2/23/62                    | 871087                      |                    |                   | 11½            |
| 1901      | Lucille Gouthreaux Broussard,                                                                         | Charles E. Cusack, Jr.                                                               | 2/12/62                    | 870429                      |                    |                   | 6              |
| 1907      | Odelon Derouen, Jr.                                                                                   | Russell Wade                                                                         | 2/26/59                    | 758078                      | 700                | 234               | 11.5           |
| 1908      | Wesley Holland                                                                                        | Russell Wade                                                                         | 2/26/59                    | 758080                      | 700                | 238               | 8-1/3          |
| 1909      | Carroll Andrus                                                                                        | Russell Wade                                                                         | 2/26/59                    | 758082                      | 700                | 242               | 8-1/3          |
| 1910      | Luther Andrus                                                                                         | Russell Wade                                                                         | 2/26/59                    | 758084                      | 700                | 246               | 20-1/3         |
| 1911      | Floyd R. Holland et al                                                                                | Russell Wade                                                                         | 2/27/59                    | 758086                      | 700                | 250               | 11.5           |
| 1914      | Earl C. Miller et al                                                                                  | Russell Wade                                                                         | 3/7/59                     | 759799                      | 702                | 281               | 11.5           |
| 1915      | Louise Comilleaux Gaspard<br>Louise C. Gaspard                                                        | Russell Wade<br>Coastal States Gas Producing Co.                                     | 2/26/59<br>2/26/64         | 758088<br>950915            | 886                | 563               | 19.16<br>19.16 |
| 1916      | Alba Moore Matthews                                                                                   | Russell Wade                                                                         | 2/26/59                    | 758090                      | 700                | 258               | 5.42           |
| 1917      | Alba Moore Matthews                                                                                   | Coastal States Gas Producing Co.                                                     | 2/26/64                    | 950917                      | 886                | 568               | 5.09           |
| 1917      | Kinney Gibbs et al                                                                                    | Russell Wade                                                                         | 2/26/59                    | 758617                      | 700                | 591               | 11½            |
| 1918      | Kinney Gibbs et al                                                                                    | Russell Wade                                                                         | 2/26/59                    | 758619                      | 700                | 595               | 11½            |
| 1919      | Pearl Fontenot St. Romain et al<br>Pearl Fontenot St. Romain et al<br>Pearl Fontenot St. Romain et al | Russell Wade<br>Coastal States Gas Producing Co.<br>Coastal States Gas Producing Co. | 3/3/59<br>3/3/64<br>2/3/69 | 760998<br>949727<br>1130474 | 703<br>885<br>1068 | 505<br>375<br>217 | 5.42<br>4.93   |
| 1920      | Carl Ewalt                                                                                            | Russell Wade                                                                         | 3/7/59                     | 762690                      | 705                | 503               | 11½            |

## EXHIBIT "A"

PAGE TWO

Release of Oil, Gas and Mineral Leases  
S. E. Hayes Field  
Calcasieu and Jefferson Davis Parishes, Louisiana

| Lease No.           | Lessor                                                                              | Lessee                           | Date    | ENTRY NO.                           | Recorded          |            | Acres    |
|---------------------|-------------------------------------------------------------------------------------|----------------------------------|---------|-------------------------------------|-------------------|------------|----------|
|                     |                                                                                     |                                  |         |                                     | Bk.               | Pg.        |          |
| 1921<br>(2-161-664) | Theta Hayes Scalia et vir<br>Theta Hayes Scalen et vir<br>Theta Hayes Scalen et vir | Russell Wade                     | 4/3/59  | 762692                              | 886<br>1068       | 565<br>225 | 5        |
|                     |                                                                                     | Coastal States Gas Producing Co. | 4/3/64  | 950916                              |                   |            | 5        |
|                     |                                                                                     | Coastal States Gas Producing Co. | 2/3/69  | 1130476                             |                   |            | 5        |
| 1921-A              | Nettie Holland Hayes                                                                | Coastal States Gas Producing Co. | 6/12/63 | 928193                              |                   |            | 5        |
| 1921-B              | Gladys Emma Hayes Boudreaux et al<br>Gladys Emma Hayes Boudreaux et al              | Coastal States Gas Producing Co. | 6/14/63 | 928194                              | 893               | 256        | 5        |
|                     |                                                                                     | Coastal States Gas Producing Co. | 6/14/64 | 958422                              |                   |            | 5        |
| 1922                | Stella Chappell Andrus                                                              | Sohio Petroleum Company          | 7/9/59  | 774354                              | 718               | 108        | 14       |
| 1923                | Samuel C. French et al                                                              | Sohio Petroleum Company          | 7/9/59  | 775458                              | 719               | 172        | 14       |
| 1936<br>(2-161-599) | A. James Bernard<br>A. James Bernard<br>A. James Bernard                            | L. A. Fitch                      | 9/19/58 | 248915 (Jefferson Davis)<br>739424  | 227               | 357        | 40       |
|                     |                                                                                     | Coastal States Gas Producing Co. | 9/19/63 | 268257 (Jefferson Davis)            | 678               | 460        |          |
|                     |                                                                                     | Coastal States Gas Producing Co. | 9/19/66 | 311371 (Jefferson Davis)<br>1037547 | 268<br>301<br>967 | 87<br>634  | 40<br>40 |
| 1937                | Paul Zimmermann                                                                     | Russell Wade                     | 9/18/58 | 248786 (Jefferson Davis)<br>738737  | 227               | 229        | 80       |
| 1938                | Nella H. Mouton et al                                                               | L. A. Fitch                      | 8/20/58 | 248446 (Jefferson Davis)<br>736141  | 226               | 557        | 80       |
| 9142                | Nella H. Mouton et al                                                               | Coastal States Gas Producing Co. | 8/8/67  | 1070563                             | 998               | 530        | 62.55    |
| 1939                | Miller, Clarence L. et al                                                           | Russell Wade                     | 8/22/58 | 248213 (Jefferson Davis)<br>734936  | 226               | 399        | 80       |

The lands covered by the above leases being in Calcasieu and/or Jefferson Davis Parishes, Louisiana Reference is made to the record of said leases for more particular description of said lands and for all other purposes pertinent to the instrument to which this Exhibit "A" is attached

RECORDED: September 16 1971 Helen Hillier CLERK OF COURT & EX OFFICIO RECORDER

Page 2 of 3

**CONVEYANCE**

19.00  
5.000/c

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**DECLARATION OF OIL AND GAS LEASE**

STATE OF LOUISIANA                   §  
                                                  §       KNOW ALL MEN BY THESE PRESENTS:  
PARISHES OF CALCASIEU AND       §  
JEFFERSON DAVIS

THAT, FINA OIL AND CHEMICAL COMPANY, A Delaware corporation, whose address is P.O. Box 62102, Houston, Texas 77205-2102, as Lessor, has granted a certain Oil and Gas Lease to UNITED WORLD ENERGY CORPORATION, a Louisiana corporation, whose address is P. O. Box 32166, Lafayette, Louisiana 70593-2166, as Lessee, for a valuable consideration, and subject to the terms, conditions, and provisions of said Lease, covering the below described 1018.00 acres of land, more or less, situated in Calcasieu and Jefferson Davis Parishes, Louisiana; to wit:

**TOWNSHIP 11 SOUTH - RANGE 5 WEST**

Section 8: The Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) and the North Half of the Northeast Quarter of the Southwest Quarter (N/2 of NE/4 of SW/4).

Section 16: The Southwest Quarter of the Southwest Quarter (SW/4 of SW/4).

Section 17: The Southeast Quarter of the Northwest Quarter (SE/4 of NW/4), the East Half of the Southwest Quarter (E/2 of SW/4), the Southeast Quarter of the Southeast Quarter (SE/4 of SE/4), the East half of the East Half of the Southwest Quarter of the Southeast Quarter (E/2 of E/2 of SW/4 of SE/4) and the East Half of the East Half of the Northeast Quarter of the Southeast Quarter (E/2 of E/2 of NE/4 of SE/4).

Section 20: The Northeast Quarter (NE/4), the Northeast Quarter of the Northwest Quarter (NE/4 of NW/4), and the North Half of the South Half (N/2 of S/2).

Section 21: The Northwest Quarter (NW/4), the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4), the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4), the North Half of the Northwest Quarter of the Southwest Quarter (N/2 of NW/4 of SW/4) and that certain tract or parcel of land containing 8.00 acres, more or less, situated in the Southeast Quarter of the Southwest Quarter (SE/4 of SW/4) being further described in that certain Deed dated September 3, 1930, recorded in COB 41, Page 629 of the Conveyance records of Jefferson Davis Parish, Louisiana.

**TOWNSHIP 11 SOUTH - RANGE 6 WEST**

Section 12: The East 70 acres of the South Half of the Southwest Quarter (E 70 acres of S/2 of SW/4).

Section 13: The Northeast Quarter of the Northwest Quarter (NE/4 of NW/4).

Said Lease is dated March 17, 1997 and provides for a primary term of three (3) years, and as long thereafter as oil, gas or hydrocarbon is produced from the leased premises in paying quantities and the leased premises are being developed in accordance with the provisions of said Lease, or the Lease is otherwise kept in force in some other manner as therein provided.

Said Lease restricts transfers or assignments, but gives Lessee the right to explore and drill for and produce oil, gas and other hydrocarbon, subject to the payment of royalties and other payments as therein provided.

This Declaration is to be placed of record to evidence the existence of the said Lease and in no way does this Declaration supersede, change, alter or modify any of the terms and provisions therein contained nor does this Declaration affect in any manner the rights, duties and obligations of the parties thereto or their respective successors and assigns.

2345926

97 MAY 27 PM 3:35  
OFFICE OF CLERK OF COURT  
CALCASIEU PARISH, LA

This instrument is executed by the parties hereto on the dates reflected in the respective acknowledgments but for all purposes shall be deemed effective as of March 17, 1997.

WITNESSES:

[Signature]  
[Signature]

FINA OIL AND CHEMICAL COMPANY

By: Thomas M. Wadsworth  
Thomas M. Wadsworth  
Attorney-in-Fact

LESSOR

WITNESSES:

Paul Bergman  
[Signature]

UNITED WORLD ENERGY CORPORATION

By: Wayne Landry  
Wayne Landry  
President

LESSEE

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Thomas M. Wadsworth, known to me to be the person whose name is subscribed to the foregoing instrument as Attorney-in-Fact for FINA OIL AND CHEMICAL COMPANY, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 20TH day of MAY, 1997.



Ann E. Zabozuk  
Notary Public in and for  
State of TEXAS

STATE OF LOUISIANA §  
§  
PARISH OF LAFAYETTE §

BEFORE ME, the undersigned authority, on this day personally appeared Wayne Landry, known to me to be the person whose name is subscribed to the foregoing instrument as President of UNITED WORLD ENERGY CORPORATION and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of May, 1997.

Dolma J. Lemain  
Notary Public in and for  
State of LOUISIANA

610



STATE OF LOUISIANA,  
PARISH OF JEFFERSON DAVIS: } Office of Clerk of Court 31st Jud. Dist.

I HEREBY CERTIFY, That the within document is a true copy of  
ORIGINAL which was this day Filed and Recorded in Book 837 of  
Conveyance at page 125 of seq., File No. 542905

IN TESTIMONY WHEREOF, witness my official signature and Seal at  
Jennings, La., this 27 day of May, 1997  
Dy. Clerk of Court and Ex-officio Recorder Sherry L. Perkins

Recorded May 28, 1997 (James R. Andrews) Clerk of Court.  
by office Recorder

2394775

99 APR 24 1998

879

OFFICE OF THE CLERK OF COURT  
JEFFERSON DAVIS PARISH, LOUISIANA

pl

RELEASE OF OIL, GAS & MINERAL LEASE

STATE OF LOUISIANA  
PARISHES OF CALCASIEU AND JEFFERSON DAVIS

KNOW ALL MEN BY THESE PRESENTS:

That, United World Energy Corporation, whose mailing address is 2006 Ambassador Caffery Parkway, Lafayette, Louisiana 70506, for good and valuable consideration does hereby release and relinquish all of its right, title and interest in and to the following Oil, Gas and Mineral Lease:

Declaration of Oil and Gas Lease, dated March 17, 1997, by and between Fina Oil and Chemical Company, as Lessor and United World Energy Corporation, as Lessee, Recorded in Conveyance Book 837, page 725, File No. 542905 of the Conveyance Records of the office of the Clerk of Court for Jefferson Davis Parish, Louisiana and Recorded under File No. 2345926 of the Conveyance Records of the Office of the Clerk of Court for Calcasieu Parish, Louisiana, and containing approximately 1018.00 gross acres, more or less.

In witness whereof, this instrument is executed by the undersigned on this 23<sup>rd</sup> day of April 1998, in the presence of the undersigned competent witnesses.

Witnesses:

Paul Baynaud  
Siemda Lomaine

Wayne Landry  
United World Energy Corporation  
Wayne Landry, President

CORPORATE ACKNOWLEDGEMENT

STATE OF LOUISIANA  
PARISH OF LAFAYETTE

On this 23<sup>rd</sup> day of April, 1998, before me, appeared Wayne Landry to me personally known, who, by me duly sworn, did say that he is the President of United World Energy Corporation and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors and said that he acknowledged said instrument to be the free act and deed of said Corporation.

STATE OF LOUISIANA  
PARISH OF JEFFERSON DAVIS:

Office of Clerk of Court 31st Judicial District  
Notary Public in and for Lafayette Parish, Louisiana

Delora J. Lemoine

I HEREBY CERTIFY, That the within document is a true copy of ORIGINAL which was this day Filed and Recorded in Book 861 of Conv. 837 at page 589 at seq. File No. 552254

IN TESTIMONY WHEREOF, witness my official signature and Seal at Jennings, La., this 24<sup>th</sup> day of April A.D. 1998

Bea Bergeron  
Dr. Clerk of Court and Ex-Officio Recorder  
Release Fina

CONV BOOK 2674

RECORDED APRIL 28, 1998

James R. Andrews

CLERK OF COURT  
EX OFFICIO RECORDER

**CONVEYANCE**

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12-  
R2

DECLARATION OF OIL AND GAS LEASE

STATE OF LOUISIANA:

PARISHES OF CALCASIEU & JEFFERSON DAVIS:

KNOW ALL MEN BY THESE PRESENTS THAT, PBA PROPERTIES, INC., THE ESTATE OF JULIET EMILY HARDTNER, CALCASIEU REAL ESTATE & OIL CO., INC, F. MILLER & SONS, INC, and GLOBE-TEXAS COMPANY, a Delaware corporation, as Lessor, with Walker Louisiana Properties, whose address is P. O. Box 1048, Lake Charles, Louisiana 70602, as Manager of the hereinafter described leased premises, has granted a certain Oil and Gas Lease to UNITED WORLD ENERGY CORPORATION, whose address is P. O. Box 32166, Lafayette, Louisiana 70593-2166, as Lessee, for a valuable consideration, and subject to the terms, conditions, and provisions of said Lease, covering the below described 270 acres of land, more or less, situated in Calcasieu and Jefferson Davis Parishes, Louisiana; to wit;

2352300

97 JUN 14 PM 1:33  
OFFICE OF CLERK OF COURT  
CALCASIEU PARISH, LA

TOWNSHIP 11 SOUTH - RANGE 5 WEST

- Section 17: The Southeast Quarter of the Northwest Quarter (SE/4 NW/4), the East Half of the Southwest Quarter (E/2 SW/4).
- Section 20: The Northeast Quarter of the Northwest Quarter (NE/4 NW/4).

TOWNSHIP 11 SOUTH - RANGE 6 WEST

- Section 12: The East 70 acres of the South Half of the Southwest Quarter (E 70 acres of S/2 SW/4).
- Section 13: The Northeast Quarter of the Northwest Quarter (NE/4 NW/4).

Said Lease is dated March 26, 1997 and provides for a primary term of three (3) years, and as long thereafter as oil, gas or hydrocarbon is produced from the leased premises in paying quantities and the leased premises are being developed in accordance with the provisions of said Lease, or the Lease is otherwise kept in force in some other manner as therein provided.

Said Lease restricts transfers or assignments, but gives Lessee the right to explore and drill for and produce oil, gas and other hydrocarbon, subject to the payment of royalties and other payments as therein provided.

This Declaration is to be placed of record to evidence the existence of the said Lease and in no way does this Declaration supersede, change, alter or modify any of the terms and provisions therein contained nor does this Declaration affect in any manner the rights, duties and obligations of the parties thereto or their respective successors and assigns.

JKC



This Agreement may be executed in multiple counterparts, each of which shall be considered as an original but all of which shall constitute one agreement.

This instrument is executed by the parties hereto on the dates reflected in the respective acknowledgments but for all purposes shall be deemed effective March 26, 1997.

LESSOR:

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_  
James Walker  
Lila D. Caswell  
Mark A. Kimpfy  
Thelma P. Hardtner  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WALKER LOUISIANA PROPERTIES

BY: PBA PROPERTIES, INC.

BY: \_\_\_\_\_  
Arthur Hollins, III, President

THE ESTATE OF JULIET EMILY HARDTNER

BY: W. D. Blake  
W. D. Blake, Co-Provisional Administrator

BY: May Glazer  
May Glazer, Co-Provisional Administrator

CALCASIEU REAL ESTATE AND OIL CO., INC.

BY: \_\_\_\_\_  
Arthur Hollins, III, President

F. MILLER & SONS, INC.

BY: \_\_\_\_\_  
Joe T. Miller, President

GLOBE-TEXAS COMPANY

BY: \_\_\_\_\_  
W. E. Walker, Jr., President

LESSEE:

WITNESSES:

Paul Baggett  
Robert  
\_\_\_\_\_

UNITED WORLD ENERGY CORPORATION

BY: Wayne Laddry  
Wayne Laddry, President

JHC

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STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, before me appeared ARTHUR HOLLINS, III, to me personally known, who, being by me duly sworn, did say that he is the President of PBA PROPERTIES, INC., and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said ARTHUR HOLLINS, III, acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
NOTARY

STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this 29 day of May, 1997, before me appeared W. D. Blake, to me known to be the person described in and who executed the foregoing instrument in his responsibility as Co-Provisional Administrator for THE ESTATE OF JULIET EMILY HARDTNER and acknowledged that he/she executed the same as his free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Janice L. Areno  
NOTARY

JANICE L. ARENO  
Notary Public, Calcasieu Parish, La.  
My Commission is Issued For 1 Year

~~STATE OF LOUISIANA~~ New York  
~~PARISH OF CALCASIEU~~ County  
~~PARISH OF CALCASIEU~~ New York

On this 14<sup>th</sup> day of April, 1997, before me appeared May Glazer, to me known to be the person described in and who executed the foregoing instrument in her responsibility as Co-Provisional Administrator for THE ESTATE OF JULIET EMILY HARDTNER and acknowledged that he/she executed the same as her free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Gladys J. Gonzalez  
NOTARY

GLADYS J. GONZALEZ  
Notary Public, State of New York  
No. 4943498  
Qualified in Cassese County  
Commission Expires Oct. 31, 1998

JKC

STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, before me appeared ARTHUR HOLLINS, III, to me personally known, who, being by me duly sworn, did say that he is the President of CALCASIEU REAL ESTATE & OIL CO., INC., and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said ARTHUR HOLLINS, III, acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
NOTARY

STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, before me appeared JOE T. MILLER, to me personally known, who, being by me duly sworn, did say that he is the President of F. MILLER & SONS, INC. and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said JOE T. MILLER, acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
NOTARY

STATE OF TEXAS  
COUNTY OF DALLAS

On this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, before me appeared W. E. WALKER, JR., to me personally known, who, being by me duly sworn, did say that he is the President of GLOBE-TEXAS COMPANY, and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said W. E. WALKER, JR., acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
NOTARY

*AFC*

STATE OF LOUISIANA  
PARISH OF LAFAYETTE

On this 27 day of June, 1997, before me appeared WAYNE LANDRY, to me personally known, who, being by me duly sworn, did say that he is the President of UNITED WORLD ENERGY CORPORATION, and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said WAYNE LANDRY, acknowledged said instrument to be the free act and deed of said corporation.

Delmas J. Lemaire  
NOTARY

AS2

cc

STATE OF LOUISIANA, }  
PARISH OF JEFFERSON DAVIS } Office of Clerk of Court 31st Jud. Dist.

I HEREBY CERTIFY, That the within document is a true copy of ORIGINAL which was this day Filed and Recorded in Book 841 of Comynore at page 392 at seq., File No. 544364

IN TESTIMONY WHEREOF, witness my official signature and Seal at Jennings, La., this 14 day of July, 1997  
*Shirley K. Perkins*  
Dy. Clerk of Court and Ex-officio Recorder

RECORDED JULY 17, 1997

*James R. Andrew*

CLERK OF COURT  
EXOFFICIO RECORDER

# CONVEYANCE

624  
P2

0 624

## DECLARATION OF OIL AND GAS LEASE

STATE OF LOUISIANA:

PARISHES OF CALCASIEU & JEFFERSON DAVIS:

KNOW ALL MEN BY THESE PRESENTS THAT, PBA PROPERTIES, INC., THE ESTATE OF JULIET EMILY HARDTNER, CALCASIEU REAL ESTATE & OIL CO., INC, F. MILLER & SONS, INC, and GLOBE-TEXAS COMPANY, a Delaware corporation, as Lessor, with Walker Louisiana Properties, whose address is P. O. Box 1048, Lake Charles, Louisiana 70602, as Manager of the hereinafter described leased premises, has granted a certain Oil and Gas Lease to UNITED WORLD ENERGY CORPORATION, whose address is P. O. Box 32166, Lafayette, Louisiana 70593-2166, as Lessee, for a valuable consideration, and subject to the terms, conditions, and provisions of said Lease, covering the below described 270 acres of land, more or less, situated in Calcasieu and Jefferson Davis Parishes, Louisiana; to wit;

2352309

### TOWNSHIP 11 SOUTH - RANGE 5 WEST

- Section 17: The Southeast Quarter of the Northwest Quarter (SE/4 NW/4), the East Half of the Southwest Quarter (E/2 SW/4).
- Section 20: The Northeast Quarter of the Northwest Quarter (NE/4 NW/4).

### TOWNSHIP 11 SOUTH - RANGE 6 WEST

- Section 12: The East 70 acres of the South Half of the Southwest Quarter (E 70 acres of S/2 SW/4).
- Section 13: The Northeast Quarter of the Northwest Quarter (NE/4 NW/4).

97 JUL 14 PM 1:40  
OFFICE OF CLERK OF COURT  
CALCASIEU PARISH, LA

Said Lease is dated March 26, 1997 and provides for a primary term of three (3) years, and as long thereafter as oil, gas or hydrocarbon is produced from the leased premises in paying quantities and the leased premises are being developed in accordance with the provisions of said Lease, or the Lease is otherwise kept in force in some other manner as therein provided.

Said Lease restricts transfers or assignments, but gives Lessee the right to explore and drill for and produce oil, gas and other hydrocarbon, subject to the payment of royalties and other payments as therein provided.

This Declaration is to be placed of record to evidence the existence of the said Lease and in no way does this Declaration supersede, change, alter or modify any of the terms and provisions therein contained nor does this Declaration affect in any manner the rights, duties and obligations of the parties thereto or their respective successors and assigns.

JAC

This Agreement may be executed in multiple counterparts, each of which shall be considered as an original but all of which shall constitute one agreement.

This instrument is executed by the parties hereto on the dates reflected in the respective acknowledgments but for all purposes shall be deemed effective March 26, 1997.

LESSOR:

WITNESSES:

Virginia Crow  
Joe Cooper

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Virginia Crow  
Joe Cooper  
Jim Brant  
Joe Cooper  
D. Hyman  
Wm. Whopper

WITNESSES:

Paul Beaumont  
Ed. White

WALKER LOUISIANA PROPERTIES

BY: PBA PROPERTIES, INC.

BY: Arthur Hollins III  
Arthur Hollins, III, President

THE ESTATE OF JULIET EMILY HARDTNER

BY: \_\_\_\_\_  
W. D. Blake, Co-Provisional Administrator

BY: \_\_\_\_\_  
May Glazer, Co-Provisional Administrator

CALCASIEU REAL ESTATE AND OIL CO., INC.

BY: Arthur Hollins III  
Arthur Hollins, III, President

F. MILLER & SONS, INC.

BY: Joe T. Miller  
Joe T. Miller, President

GLOBE-TEXAS COMPANY

BY: W. E. Walker, Jr.  
W. E. Walker, Jr., President

LESSEE:

UNITED WORLD ENERGY CORPORATION

BY: Wayne Landry  
Wayne Landry, President

JTC

626

STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this 8<sup>th</sup> day of April, 1992, before me appeared ARTHUR HOLLINS, III, to me personally known, who, being by me duly sworn, did say that he is the President of PBA PROPERTIES, INC., and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said ARTHUR HOLLINS, III, acknowledged said instrument to be the free act and deed of said corporation.

DA Perry  
NOTARY

STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, before me appeared W. D. Blake, to me known to be the person described in and who executed the foregoing instrument in his responsibility as Co-Provisional Administrator for THE ESTATE OF JULIET EMILY HARDTNER and acknowledged that he/she executed the same as his free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
NOTARY

STATE OF LOUISIANA  
PARISH OF CALCASIEU

On this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, before me appeared May Glazer, to me known to be the person described in and who executed the foregoing instrument in her responsibility as Co-Provisional Administrator for THE ESTATE OF JULIET EMILY HARDTNER and acknowledged that he/she executed the same as her free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
NOTARY

abc



STATE OF LOUISIANA

PARISH OF CALCASIEU

On this 8<sup>th</sup> day of April, 1977, before me appeared ARTHUR HOLLINS, III, to me personally known, who, being by me duly sworn, did say that he is the President of CALCASIEU REAL ESTATE & OIL CO., INC., and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said ARTHUR HOLLINS, III, acknowledged said instrument to be the free act and deed of said corporation.

*DA Perry*  
NOTARY

STATE OF LOUISIANA

PARISH OF CALCASIEU

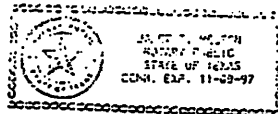
On this 8<sup>th</sup> day of April, 1977, before me appeared JOE T. MILLER, to me personally known, who, being by me duly sworn, did say that he is the President of F. MILLER & SONS, INC. and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said JOE T. MILLER, acknowledged said instrument to be the free act and deed of said corporation.

*Madame St. Chapman*  
NOTARY

STATE OF TEXAS

COUNTY OF DALLAS

On this 16<sup>th</sup> day of April, 1977, before me appeared W. E. WALKER, JR., to me personally known, who, being by me duly sworn, did say that he is the President of GLOBE-TEXAS COMPANY, and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said W. E. WALKER, JR., acknowledged said instrument to be the free act and deed of said corporation.



*Janet S. Miller*  
NOTARY

*JSC*

STATE OF LOUISIANA  
PARISH OF LAFAYETTE

On this 27 day of June, 1997, before me appeared WAYNE LANDRY, to me personally known, who, being by me duly sworn, did say that he is the President of UNITED WORLD ENERGY CORPORATION, and the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said WAYNE LANDRY, acknowledged said instrument to be the free act and deed of said corporation.

Dolores G. Lomaine  
NOTARY

etc

STATE OF LOUISIANA, }  
PARISH OF JEFFERSON DAVIS } Office of Clerk of Court 31st Jud. Dist.

I HEREBY CERTIFY, That the within document is a true copy of ORIGINAL which was this day Filed and Recorded in Book 841 of Connycare at page 387 et seq., File No. 544363

IN TESTIMONY WHEREOF, witness my official signature and Seal at Jennings, La., this 14 day of July, A.D. 1997  
*Herbert S. Perkins*  
Dy. Clerk of Court and Ex-Officio Recorder

RECORDED JULY 17, 1997 *James R. Andrew*

CLERK OF COURT  
EXOFFICIO RECORDER

OFFICE OF THE CLERK OF COURT

*Handwritten initials*

RELEASE OF OIL, GAS & MINERAL LEASE

**CONVEYANCE**

STATE OF LOUISIANA  
PARISHES OF CALCASIEU AND JEFFERSON DAVIS

KNOW ALL MEN BY THESE PRESENTS:

That, United World Energy Corporation, whose mailing address is 2006 Ambassador Caffery Parkway, Lafayette, Louisiana 70506, for good and valuable consideration does hereby release and relinquish all of its right, title and interest in and to the following Oil, Gas and Mineral Lease:

Declaration of Oil and Gas Lease, dated March 26, 1997, by and between PBA Properties, Inc., ET AL, as Lessor and United World Energy Corporation, as Lessee, Recorded in Conveyance Book 841, page 387, File No. 544363 of the Conveyance Records of the office of the Clerk of Court for Jefferson Davis Parish, Louisiana and Recorded under File No. 2352309 of the Conveyance Records of the Office of the Clerk of Court for Calcasieu Parish, Louisiana, and containing approximately 270.00 gross acres, more or less.

In witness whereof, this instrument is executed by the undersigned on this 23<sup>rd</sup> day of April 1998, in the presence of the undersigned competent witnesses.

Witnesses:

Paul Bagnard  
Brenda Romaine

Wayne Landry  
United World Energy Corporation  
Wayne Landry, President

CORPORATE ACKNOWLEDGEMENT

STATE OF LOUISIANA  
PARISH OF LAFAYETTE

On this 23<sup>rd</sup> day of April, 1998, before me, appeared Wayne Landry to me personally known, who, by me duly sworn, did say that he is the President of United World Energy Corporation and that said instrument was signed in behalf of said Corporation by authority of its Board of Directors and said that he acknowledged said instrument to be the free act and deed of said Corporation.

STATE OF LOUISIANA  
PARISH OF JEFFERSON DAVIS:

} Office of Clerk of Court 31st Jud. Dist. Debra J. Lemone  
Notary Public in and for Lafayette Parish, Louisiana

I HEREBY CERTIFY, That the within document is a true copy of ORIGINAL which was this day Filed and Recorded in Book 861 of Conveyances at page 590 at seq. File No. 552255

IN TESTIMONY WHEREOF, witness my official signature and Seal at Jennings, La., this 24<sup>th</sup> day of April A.D. 19 98  
Bea Bergeron Dy. Clerk of Court and Ex-officio Record Release PBA

FILED THIS 24 OF APRIL 1998  
Christy Piche

*Vertical handwritten note:* United World Energy

CONV BOOK 2676

RECORDED APRIL 28, 1998 James R. Andrew  
CLERK OF COURT  
EX OFFICIO RECORDER