

Exhibit 22

1994

1994

PAGE - 1

REDACTED 7338 - TRUST NUMBER

TRUST ESTATE
TEXAS
UPTON COUNTY

TRUST TAX NUMBER
REDACTED 7338

1994
4661

MARJORIE T. CONNELL, TRUSTEE
P.O. BOX - 710
LAS VEGAS, NEVADA 89125
SOCIAL SECURITY NUMBER - REDACTED 1212

ELEANOR C. HARTMAN, CO TRUSTEE
P.O. BOX - 710
LAS VEGAS, NEVADA 89125
SOCIAL SECURITY NUMBER - REDACTED 1044

TRUST TAX NUMBER
REDACTED 7338

1994

QDE EXHIBIT

K5

PAGE - 1

1995

TRUST ESTATE
UPTON COUNTY
TEXAS

W. N. & MARTORIE T. CONNELL

LIVING TRUST DATED - 5-18-72

TRUST NUMBER

REDACTED 7338 -

MARTORIE T. CONNELL, TRUSTEE

P.O. Box - 710

LAS VEGAS, NEVADA - 89125

SOCIAL SECURITY NUMBER

REDACTED 1212

ELEANOR C. HARTMAN, CO TRUSTEE

P.O. Box - 710

LAS VEGAS, NEVADA 89125

SOCIAL SECURITY NUMBER

REDACTED 1044

TRUST NUMBER

REDACTED 7338

1995

QDE EXHIBIT

K6

1995

PAGE - 4

EXPENSES

1-15-95 - Ashworth - IRS Reply	265.00
6-19-95 - Ashworth Trust + Texas Tax Service	1500.00
12-28-95 Property Tax Upton Co. Texas	261.53
12-28-95 Ad Valorem Tax Upton Co. Tx	3013.05
Total -	5039.58

QDE EXHIBIT

K7

1999

Page - 1

TRUST ESTATE
UPTON COUNTY TEXAS

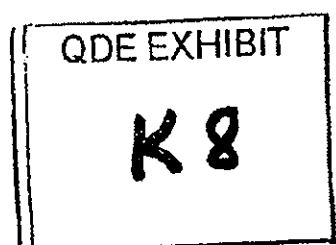
W.N³ & MARJORIE T. CONNELL
LIVING TRUST - DATED - 5-18-72
- TRUST NUMBER -
REDACTED 7338

MARJORIE T. CONNELL - TRUSTEE
P.O. Box - 710
LAS VEGAS, NEVADA - 89125
SOCIAL SECURITY NUMBER
REDACTED 1212

ELEANOR C. HARTMAN - Co-
P.O. Box - 710 TRUSTEE
LAS VEGAS, NEVADA 89125
SOCIAL SECURITY NUMBER
REDACTED 1044

- TRUST NUMBER -
REDACTED 7338

1999



1999

Page 4

EXPENSES

7/16/99 Pat Beckwiths - Tax	\$	1100.00
Service - Trust Income -		
1999 - Upton County Property		209.43
Tax		
1999 - Upton County ad valorem	\$	3518.22
Tax		

Total - 4827.65

\$23.83 { See Bank — checks: statements 1/23 and 10/15 + 11/9/99		3.83
		19.00
		1.00

Total - 4851.48

If I add Bank Charges \$23.83
to total expense I do not
balance.

1999

QDE EXHIBIT

K9

Exhibit 23

THE RUSHFORTH FIRM, LTD.
Telephone: 702-255-4552 / Fax: 702-255-4677
9505 Hillwood Drive, Suite 100
Las Vegas, Nevada 89134-0514

RESP
JOSEPH J. POWELL
State Bar No. 8875
THE RUSHFORTH FIRM, LTD.
P. O. Box 371655
Las Vegas, NV 89137-1655
Telephone: (702) 255-4552
fax: (702) 255-4677
e-mail: probate@rushforthfirm.com
Attorney for Jacqueline M. Montoya

DISTRICT COURT
CLARK COUNTY, NEVADA

In the Matter of the Estate

of

MARJORIE T. CONNELL,

Deceased.

Case No. P-14-080595-E
Department 26 (Probate)

JACQUELINE M. MONTOYA'S RESPONSES TO
ELEANOR C. AHERN'S FIRST SET OF INTERROGATORIES

TO: ELEANOR C. AHERN, a/k/a ELEANOR CONNELL HARTMAN AHERN, Trustee of THE
W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST dated May 18, 1972, and
TO: JOHN R. MUGAN, ESQ. and MICHAEL D. LUM, ESQ., her attorneys
JACQUELINE M. MONTOYA, by and through her counsel, JOSEPH J. POWELL, Esq., of
THE RUSHFORTH FIRM, LTD., hereby submits her Responses to "First Set of Interrogatories to
Jacqueline M. Montoya" as follows:

PRELIMINARY STATEMENT AND OBJECTIONS

These answers are made solely for the purpose of this action. Each answer that is

1 given is subject to all appropriate objections which would require the exclusion of any
2 statement or evidence contained therein if the request was asked of a witness testifying in
3 court. These objections include, but are not limited to, admissibility, ambiguity, materiality,
4 competency, relevancy, vagueness, and any objection related to privileged matter. All such
5 objections are reserved and may be interposed at the time of trial or hearing on the various
6 claims.
7

8 Except for the facts expressly admitted, no admission of any nature whatsoever is to
9 be implied or inferred. The fact that any request has been complied with should not be
10 taken as an admission or should not be construed as a concession to the existence of any
11 facts set forth or assumed by such request. All responses must be construed as given on the
12 basis of present recollection.
13

14 JACQUELINE MONTOYAS' answers set forth herein are based upon facts and
15 information presently known or available to JACQUELINE MONTOYA. These answers are
16 provided without prejudice to its right, which is hereby reserved, to present additional facts
17 and/or evidence at trial or hearing(s) which are omitted through inadvertence, oversight,
18 or mistake. A further reservation is hereby made to supplement the various responses as
19 additional information is revealed, without motion and at any time. Case preparation and
20 discovery are continuing, and JACQUELINE MONTOYA may discover additional facts
21 and/or documents which are not set forth or identified herein. A full or partial answer does
22 not waive JACQUELINE MONTOYA'S objection to any other portion of the request.
23

24 JACQUELINE MONTOYA objects to every interrogatory to the extent that it seeks
25 information protected by either the attorney-client privilege or the work product doctrine.
26
27
28

JACQUELINE MONTOYA will not disclose any information which is protected by the aforementioned doctrines or privileges. However, if it is later discovered that such information was inadvertently identified or produced, JACQUELINE MONTOYA expressly reserves the right to assert that no waiver of doctrine or privilege occurred and that if produced, such document(s) and all copies thereof must be returned by JACQUELINE MONTOYA immediately upon demand.

JACQUELINE MONTOYA objects to each of the interrogatories to the extent each is overbroad in that it seeks information which is neither relevant to the action nor calculated to lead to the discovery of admissible evidence.

JACQUELINE MONTOYA objects to each of the interrogatories to the extent each is unduly burdensome and/or oppressive.

JACQUELINE MONTOYA objects to each of the interrogatories to the extent each is intended to annoy, embarrass, or create undue expense and which is neither relevant to the action nor calculated to lead to the discovery of admissible evidence.

INTERROGATORY NO. 1: Regarding each and every person who you are aware has knowledge of any non-privileged matter relating to this action, state the name(s) address(es, email address(es), phone number(s), and the occupation(s), employer(s), and business address(es) for such person(s), and provide a description of the non-privileged matter of which such person has knowledge. If you claim a privilege, state the privilege claimed and the subject matter over which the privilege is claimed.

RESPONSE TO INTERROGATORY NO. 1:

Objection. JACQUELINE MONTOYA objects to this request as overly broad, unduly

1 burdensome, vague, ambiguous, and not reasonably specific. This discovery request is so broad and
2 unlimited as to time and scope as to be an unwarranted annoyance, embarrassment, and is
3 oppressive. To comply with the request would be an undue burden and expense on JACQUELINE
4 MONTOYA. The request is calculated to annoy and harass JACQUELINE MONTOYA.

5 JACQUELINE MONTOYA is unaware as to what the reference to "knowledge of any non-
6 privileged matter relating to this action" is a reference to and is unable to speculate as to the
7 meaning of this vague request.
8

9 Notwithstanding this Objection, JACQUELINE MONTOYA is aware that Attorney
10 David Straus has the knowledge and information relating to the execution of the Last Will
11 and Testament of Marjorie T. Connell dated January 7, 2008, including the exercise of the
12 power of appointment over Trust No. 3 of the WN Connell and Marjorie T. Connell Living
13 Trust, dated May 18, 1972, and the wishes and intent of Mrs. Connell as to her estate plan.
14

15 Additionally, Josefina C. Jones, a witness to the execution of the Last Will and Testament
16 of Marjorie T. Connell dated January 7, 2008 has knowledge of the matter. Furthermore,
17 Sharon A. Brown, a witness to the execution of the Last Will and Testament of Marjorie T.
18 Connell dated January 7, 2008 has knowledge of the matter.
19

20 The contact information for David Straus, Esq. is as follows:

21 David A Straus, JD, LL.M, CPA
22 900 Rancho Lane
23 Las Vegas NV 89106
24 702-474-4500
25 702-474-4510 FAX
david@strauslaw.com
http://www.strauslaw.com

26 The contact information for Josefina ("Joy") C. Jones is as follows:

27 Joy C. Jones
28 900 Rancho Lane

Las Vegas, Nevada 89106
Phone (702) 474-4500
Fax (702) 474-4510

The direct contact information for Sharon A. Brown, a retired employee of David Staus, Esq., may be obtained through the office of David Straus.

Mozelle Miller has knowledge of Marjorie T. Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well as interactions with Mrs. Connell prior to her death which confirm her strong competency, including attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.

Robert ("Bob") Miller has knowledge of Marjorie T. Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well as interactions with Mrs. Connell prior to her death which confirm her strong competency, including attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.

The contact information for Mozelle Miller and Bob Miller is as follows:

8140 E. Whitehorn Circle
Scottsdale, Arizona 85266
(214) 801-1516 (cell)

Sheila H. White has knowledge of Marjorie T. Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well as interactions with Mrs. Connell prior to her death which confirm her strong competency, including attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.

The contact information for Sheila White is as follows:

2693 Meadowlawn Drive
Marietta, Georgia 30067

1 James ("Jim") A. Walton has knowledge of Marjorie T. Connell's desire to
2 provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well as interactions
3 with Mrs. Connell prior to her death which confirm her strong competency, including
4 attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.
5

6 The contact information for Jim Walton is as follows:

7 PO Box 2514
8 Midland, TX 79702
9 (432) 682-9336
jwalton106@gmail.com

10 Corey Haina has knowledge of Mrs. Connell's strong competency as he was her
11 accountant and attended her 90th Birthday Celebration, which occurred on March 2, 2008.
12

13 The contact information for Corey Haina is as follows:

14 Corey Haina
15 13917 Artesia Blvd
16 Cerritos, CA 90703
17 (714) 496-5661
18 fasttax4@gmail.com

19 Sarah Thrash Phillips, the sister of Mrs. Connell, has knowledge of Marjorie T.
20 Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well
21 as interactions with Mrs. Connell prior to her death which confirm her strong competency,
22 including attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.

23 Cedric Phillips, the husband of Sarah Thrash Phillips and in turn the brother-in-law
24 of Mrs. Connell, has knowledge of Marjorie T. Connell's desire to provide for JACQUELINE
25 MONTOYA and KATHRYN BOUVIER as well as interactions with Mrs. Connell prior to her
26 death which confirm her strong competency, including speaking to Marjorie telephonically
27 around the same time frame as her 90th Birthday Celebration, which occurred on March 2,
28

1 2008.

2 The contact information for Sarah Thrash Phillips and Cedric Phillips is as
3 follows:

4 Sarah Thrash Phillips and Cedric Phillips
5 cblp_01@yahoo.com
6 106 Deer Valley Park
7 Rainbow City, AL 35906
8 (256) 413-0426

9 Bill Porter, a long time friend of Mrs. Connell, has knowledge of Marjorie T.
10 Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well
11 as interactions with Mrs. Connell prior to her death which confirm her strong competency.

12 Betty Porter, a long time friend of Mrs. Connell, has knowledge of Marjorie T.
13 Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well
14 as interactions with Mrs. Connell prior to her death which confirm her strong competency.

15 The contact information for Bill Porter and Betty Porter is as follows:

16 Bill Porter and Betty Porter
17 (760) 765-0631 / (760) 347-4601

18 Denny Orten, a long time friend of Mrs. Connell, has knowledge of Marjorie T.
19 Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well
20 as interactions with Mrs. Connell prior to her death which confirm her strong competency,
21 including attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.

22 Jean Orten, a long time friend of Mrs. Connell, has knowledge of Marjorie T.
23 Connell's desire to provide for JACQUELINE MONTOYA and KATHRYN BOUVIER as well
24 as interactions with Mrs. Connell prior to her death which confirm her strong competency,
25 including attendance at her 90th Birthday Celebration, which occurred on March 2, 2008.

The contact information for Denny Orten and Jean Orten is as follows:

Denny Orten and Jean Orten
dennyo@coldwelladvantage.com
285 East 500 North
Panguitch, Utah 84759
(435) 590-1756

INTERROGATORY NO. 2: State the name(s), address(es), email address(es) and phone number(s) of each person whom you expect may be called as an expert witness at the time of trial of this action, including the qualifications of each person, and the subject matter on which each expert may be expected to testify, including:

- a. The substance of all facts about which each expert may be expected to testify at trial;
- b. Identify each document which sets forth such facts, including each draft thereof; and
- c. A description of each opinion which each expert may be expected to testify about at trial, including a summary of the grounds for each opinion.

RESPONSE TO INTERROGATORY NO. 2:

Objection. Premature Disclosure of Experts. Interrogatory No. 2 seeks premature disclosure of expert opinion. The interrogatory also seeks attorney work-product. JACQUELINE MONTTOYA has not decided on which, if any, expert witnesses may be called at trial; insofar as this interrogatory seeks to ascertain the identity, writings, and opinions of JACQUELINE MONTTOYA's experts who have been retained or utilized to date solely as an advisor or consultant, it is violative of the work-product privilege.

1 **INTERROGATORY NO. 3: Do you, your attorneys, your accountants, or any**
2 **person employed by you or your attorneys or your accountants, have possession of,**
3 **or know of the existence of, any:**

- 4 **a. Books or other printed material;**
5 **b. Records or reports made in the course of business;**
6 **c. Photographs, videotapes, electronic files, or digital movies;**
7 **d. Handwritten notes, emails, or memos;**
8 **e. Other documentary material; or**
9 **f. Other tangible objects which you intend to rely on to support the**
10 **allegations of your Petition for Probate of Will of Marjorie T. Connell**
11 **and Declaration of Validity of Will Pursuant to NRS 30.040.**

12 **RESPONSE TO INTERROGATORY NO. 3:**

13 **Yes.**

14 **INTERROGATORY NO. 4: If so, for each item state:**

- 15 **a. Its description, form, name, number, or other means of general**
16 **identification;**
17 **b. The date on which it was made, prepared, or taken;**
18 **c. The name, address and job title of each person who has possession of**
19 **the original and/or a copy of it; and**
20 **d. In what way it is relevant to the subject matter of this action.**

21 **RESPONSE TO INTERROGATORY NO. 4:**

- 22 **1. "Marjorie T. Connell 1981 Trust" dated September 16, 1981. David Straus, Esq.**
23 **possesses a copy of this Trust.**

24 **As reflected in pages 8 and 9 of the Marjorie T. Connell 1981 Trust, Mrs. Connell**
25 **expressly provided for JACQUELINE MONTOYA and KATHRYN BOUVIER. It is**
26
27
28

expressly stated in Article Thirteenth of the Trust that:

The Last Will and Testament of MARJORIE T. CONNELL executed September 16th, 1981, provides for a distribution of various assets to JACQUELINE M. HARTMAN and KATHRYN ANN HARTMAN, granddaughters of MARJORIE T. CONNELL. Pursuant to the terms of said Will, if said granddaughters are under the age of thirty (30), the Last Will and Testament provides that said assets shall be distributed to this Trust to be held and administered on behalf of the said beneficiaries until they reach the age of thirty (30).

The 1981 Trust goes on to state that if, and only if, both JACQUELINE MONTOYA and KATHRYN BOUVIER have died prior to receiving all of their respective shares and in turn have died intestate then, and only then, would Ms. Ahern receive any remaining assets that were specifically earmarked for JACQUELINE MONTOYA and KATHRYN BOUVIER.

2. "MTC Living Trust", dated December 6, 1995. David Straus, Esq. possesses a copy of this Trust. JACQUELINE MONTOYA possesses a copy of this Trust as well.

In Article Nine of the MTC Living Trust, the subject matter of which is declaring her intended residuary beneficiaries, Mrs. Connell expressly declares that she wants to leave half of the residue of the trust estate to JACQUELINE MONTOYA and the other half of the trust estate residue to KATHRYN BOUVIER. Additionally, Mrs. Connell expressly disinherits Ms. Ahern by declaring, in Section 2a of Article Nine, the following:

I acknowledge the existence of my child, ELEANOR C. HARTMAN AHERN, and have intentionally, and with full knowledge, chosen not to provide for ELEANOR C. HARTMAN AHERN.

3. Restatement of the MTC Living Trust, which was executed by Mrs. Connell in 2000.

David Straus, Esq. possesses a copy of this Trust.

In the 2000 restatement of the MTC Living Trust, Mrs. Connell expressly declares that she wants to leave half of the residue of the trust estate to JACQUELINE MONTOYA and the other half of the trust estate residue to KATHRYN BOUVIER. Additionally, Mrs. Connell expressly disinherits Ms. Ahern by declaring that:

1 *I acknowledge the existence of my child, ELEANOR C. HARTMAN AHERN, and*
2 *have intentionally, and with full knowledge, chosen not to provide for ELEANOR*
3 *C. HARTMAN AHERN.*

- 4 4. Restatement of the MTC Living Trust, which was executed by Mrs. Connell on
5 January 7, 2008. David Straus, Esq. possesses a copy of this Trust, as does
6 JACQUELINE MONTOYA.

7 Under the Restatement, Mrs. Connell again, in accordance with her long standing
8 practice, chose to have JACQUELINE MONTOYA and KATHRYN BOUVIER as the
9 residuary beneficiaries of her Trust, with each receiving an equal share of the Trust's
10 residue, as remained the same under the 1995 version and the 2000 version of the
11 Trust. Under the Restatement, Mrs. Connell received a \$300,000 cash gift and
12 nothing more.

- 13 5. Affidavit of David Straus, Esq. dated March 5, 2014

14 From David Straus, Esq. March 5, 2014 affidavit:

15 *I am absolutely certain that I discussed all aspects of the MTC Living Trust and the*
16 *"Last Will and Testament of Marjorie T. Connell" in thorough detail with Marjorie*
17 *prior to her execution of those documents.*

18 *It is my habit as an estate planning attorney to discuss all estate planning*
19 *documents with my clients prior to their execution so that I can ensure that they*
20 *understand the legal significance and effect of the documents that they intend to*
21 *sign.*

22 *Although I do not have a vivid recollection of the date of January 7, 2008, my habit*
23 *would have ensured that I discussed with and met with Marjorie on that date prior*
24 *to her execution of the restatement of the MTC Living Trust and the Last Will and*
25 *Testament.*

26 *As a matter of habit and course of my regular conduct as an estate planning*
27 *attorney, under no circumstances would I have ever allowed Marjorie to sign*
28 *either the MTC Living Trust or her Last Will and Testament if I had even the*
slightest concern that Marjorie was not fully lucid, competent, and fully
understood the force and effect of executing these documents.

There is no doubt in my mind that on January 7, 2008, Marjorie would have
possessed her full and complete mental faculties at the moments preceding and at
the actual moment that she signed both the restatement of the MTC Living Trust
and her Last Will and Testament.

1 This affidavit establishes the competency and understanding and desire of Mrs.
2 Connell in executing her Last Will and Testament dated January 7, 2008.

3 6. Affidavit from David Straus, Esq. dated April 9, 2014.

4 From David Straus April 9, 2014 affidavit:

5 *As Marjorie's attorney, I spoke with Marjorie on multiple occasions about the real*
6 *property located in Upton County, Texas and the oil, gas, and mineral rights*
7 *related to such property ("Texas Property"), all of which was previously deeded to*
8 *"The W.N. Connell and Marjorie T. Connell Living Trust" ("Connell Family Trust")*
by Mr. Connell, Marjorie's husband.

9 *Marjorie always represented to me that a portion of the Texas Property had been*
10 *allocated to the Survivor's subtrust under the Connell Family Trust, which was*
11 *known as Trust No. 3, for which she had been granted a power of appointment*
over the disposition of.

12 *A reason Marjorie wanted to exercise a new Last Will and Testament in 2008 was*
13 *her desire to exercise her power of appointment over Trust No.3 to ensure that all*
14 *of the assets that belonged to Trust No. 3, specifically the interest in the Texas*
Property, would belong, following her death, to the MTC Living Trust, which
Marjorie decided to restate in its entirety in 2008.

15 *Following Marjorie's passing in 2009, I sent a letter dated May 21, 2009, via*
16 *certified mail, to Eleanor C. Ahern, in her capacity as Trustee of the Connell Family*
17 *Trust, to advise her of the fact that Marjorie had exercised her power of*
18 *appointment over Trust No. 3 in favor of the MTC Living Trust. The exercise of the*
power of appointment over Trust No. 3 was done in Marjorie's Will dated January
7, 2008 and as such I provided Eleanor with a certified copy of the Will.

19 This affidavit establishes the competency and understanding and desire of Mrs.
20 Connell in exercising her power of appointment over Trust No. 3 of The W.N.
21 Connell and Marjorie T. Connell Living Trust in her Last Will and Testament dated
22 January 7, 2008. It further establishes Mrs. Connell's representations as to the
23 allocation/ownership of Trust No. 3 of a portion of the Texas real property and oil
24 rights related thereto.

25 7. Affidavit of Josefina C. Jones, dated March 5, 2014.

26 Josefina C. Jones is an employee of David Straus, Esq. and was a witness to
27 documents executed by Mrs. Connell on January 7, 2008, including her Last Will
28

1 and Testament.

2 From Josefina C. Jones March 5, 2014 affidavit:

3 *Although I do not have a vivid recollection of the date of January 7, 2008, based*
4 *on the fact that I was a witness to Marjorie's Last Will and Testament would have*
5 *ensured that I was present in the same room with Marjorie prior to her execution*
6 *of the restatement of the MTC Living Trust and her Last Will and Testament.*

7 *Prior to Marjorie signing her Last Will and Testament, I would have either*
8 *exchanged pleasantries and small talk with her or in the alterative witnessed the*
9 *exchange of these with another employee of the Law Offices of David A. Straus.*

10 *As reflected in my affidavit found on page 9 of Marjorie's Last Will and Testament,*
11 *Marjorie would have appeared to me to be of sound mind and in possession of all*
12 *of her mental faculties at the moment of her execution of the Last Will and*
13 *Testament.*

14 *If there had been any concern on my part that Marjorie did not possess the ability*
15 *to understand the legal effect that the signing of her Last Will and Testament*
16 *would have, then I certainly would not have signed as a witness to her execution*
17 *of the Last Will and Testament and made the declarations under penalty of perjury*
18 *that are found on page 9 of the Last Will and Testament.*

19 This affidavit establishes that Marjorie T. Connell signed her Last Will and
20 Testament and had full competency to do so.

21 8. Affidavit of Sharon A. Brown, dated March 5, 2014.

22 Sharon A. Brown is a retired employee of David A. Straus, Esq. and was a witness
23 to documents executed by Mrs. Connell on January 7, 2008, including her Last Will
24 and Testament.

25 From Sharon A. Brown March 5, 2014 affidavit:

26 *Although I do not have a vivid recollection of the date of January 7, 2008, based*
27 *on the fact that I was a witness to Marjorie's Last Will and Testament would have*
28 *ensured that I was present in the same room with Marjorie prior to her execution*
of the restatement of the MTC Living Trust and her Last Will and Testament.

Prior to Marjorie signing her Last Will and Testament, I would have either
exchanged pleasantries and small talk with her or in the alterative witnessed the
exchange of these with another employee of the Law Offices of David A. Straus.

As reflected in my affidavit found on page 9 of Marjorie's Last Will and Testament,
Marjorie would have appeared to me to be of sound mind and in possession of all
of her mental faculties at the moment of her execution of the Last Will and

1 *Testament.*

2 *If there had been any concern on my part that Marjorie did not possess the ability*
3 *to understand the legal effect that the signing of her Last Will and Testament*
4 *would have, then I certainly would not have signed as a witness to her execution*
5 *of the Last Will and Testament and made the declarations under penalty of perjury*
6 *that are found on page 9 of the Last Will and Testament.*

7 This affidavit establishes that Marjorie T. Connell signed her Last Will and
8 Testament and had full competency to do so.

- 9 9. Durable Power of Attorney for Health Care, dated January 7, 2008, executed by
10 Marjorie T. Connell.

11 David Straus, Esq. possesses a copy of this document.

12 This document establishes the handwriting of Mrs. Connell. It further establishes
13 that she had the ability to write clearly and legibly as to her desires regarding health
14 care treatment and disproves that her signature on her Last Will and Testament was
15 a forgery. It further establishes that Mrs. Connell viewed Linda Vargas as her
16 caregiver, and wanted Mozelle and Bob Miller to serve as her health care agents, not
17 JACQUELINE MONTOYA or KATHRYN BOUVIER.

- 18 10. Letter from Mozelle Miller dated April 29, 2014. Joseph J. Powell possesses a copy
19 of this letter.

20 This correspondence establishes the desires of Mrs. Connell as expressed to Mr. and
21 Mrs. Miller as they related to her estate plan, and as to the Texas Oil Rights/income.

- 22 11. Letter from Jim Walton dated May 12, 2014. Joseph J. Powell possesses a copy of
23 this letter.

24 This correspondence establishes Mrs. Connell's intent as to her estate plan, and the
25 Texas Oil Rights and income therefrom. It also establishes Mr. Walton's opinion
26 as to Mrs. Connell's signature on her Last Will and Testament executed in 2008.

- 27 12. Letter from Sheila White. Joseph J. Powell possesses a copy of this letter.
28

1 This correspondence establishes Mrs. Connell's intent as to her estate plan, and the
2 Texas Oil Rights and income therefrom.

3 13. Photographs of Mrs. Connell at her surprise 90th Birthday Celebration at Maggiano's
4 Little Italy Restaurant, Las Vegas, Nevada on March 2, 2008.

5 The photographs, four in total, show Mrs. Connell's surprise and joy in having a party
6 thrown in her honor with her family members and long time friends. The photographs establish
7 Mrs. Connell's competency and further establish Ms. Ahern being present to witness Mrs. Connell
8 competency. Joseph J. Powell possesses copies of the photographs, while JACQUELINE
9 MONTOYA possesses the photographs.
10

11 14. Statement of Cedric Phillips, dated August 25, 2014. Joseph J. Powell possesses a copy
12 of this letter.

13 This correspondence establishes the desires of Mrs. Connell as expressed to Mr. Phillips as
14 they related to her estate plan, and as to the Texas Oil Rights/income, and the competency of Mrs.
15 Connell.
16

17 15. Statement of Sarah Thrash Phillips, dated August 25, 2014. Joseph J. Powell possesses
18 a copy of this letter.

19 This correspondence establishes the desires of Mrs. Connell as expressed to Mrs. Phillips
20 as they related to her estate plan, and as to the Texas Oil Rights/income, and the competency of
21 Mrs. Connell.

22 **INTERROGATORY NO. 5:**

23 **Describe all physical and mental afflictions, diseases, conditions and handicaps**
24 **of MARJORIE T. CONNELL during the period of time from the year 2000 to her date**
25 **of death on May 1, 2009 that are known to you or of which you are otherwise aware.**
26

27 **RESPONSE TO INTERROGATORY NO. 5:**

28 In either 2001 or 2002, Mrs. Connell was hospitalized at Sunrise Hospital and Medical

Center for having bed sores that had become infected.

In a time period subsequent to this which JACQUELINE MONTOYA cannot recall Mrs. Connell was treated for Cellucitus, an infection on her legs. Mrs. Connell went to a doctor for treatment, but was not hospitalized for the condition. JACQUELINE MONTOYA is unaware of the name of the doctor that treated Mrs. Connell.

In approximately late April to early May of 2008, Linda Vargas took Mrs. Connell to University Medical Center ("UMC") because "she wasn't well" according to Ms. Vargas. At this time in her life it was believed that Mrs. Connell was experiencing congestive heart failure. A few days after her admission to UMC, Mrs. Connell contracted pneumonia and another event occurred which resulted in Mrs. Connell needing to have an emergency tracheotomy. The tracheotomy hole then became infected.

Mrs. Connell then also began to have kidney failure that resulted in her having to have dialysis on an every other day basis.

Following the kidney failure, Mrs. Connell then experienced liver failure.

INTERROGATORY NO. 6:

Describe all medical procedures performed on MARJORIE T. CONNELL from the year 2000 to her date of death on May 1, 2009 that are known to you or of which you are otherwise aware, and state the name of the physician, registered nurse, nurse practitioner, or other healthcare professional that performed the procedure.

RESPONSE TO INTERROGATORY NO. 6:

See response to Interrogatory No. 5. Names of medical professionals cannot be recalled by JACQUELINE MONTOYA.

INTERROGATORY NO. 7:

Describe all medications taken by MARJORIE T. CONNELL during the period of time from the year 2000 to her date of death on May 1, 2009 that are known to you

1 or of which you are otherwise aware.

2 **RESPONSE TO INTERROGATORY NO. 7:**

3 JACQUELINE MONTOYA has no knowledge as to any medications that Mrs. Connell was
4 taking during this time period.

5 **INTERROGATORY NO. 8:**

6 State the name(s), address(es), phone number(s), and e-mail address(es) of
7 each physician, doctor, registered nurse, nurse practitioner, home health aid, and
8 healthcare professional who visited with, attended to, provided care to, or provided
9 assistance to MARJORIE T. CONNELL during the period of time from the year 2000
10 to her date of death on May 1, 2009.

11 **RESPONSE TO INTERROGATORY NO. 8:**

12 Subsequent to Mrs. Connell's hospitalization in either 2001 to 2002, Mrs. Connell made
13 arrangements to hire professional home nurses. The first professional home nurse that Mrs.
14 Connell hired was believed to have the name of "Jean". A surname for "Jean" cannot be recalled
15 by JACQUELINE MONTOYA. "Jean" was then replaced by Mrs. Connell by a women named Joy.
16 JACQUELINE MONTOYA cannot recall Joy's surname. Again both "Jean" and Joy were
17 professional home nurses. "Jean" and Joy assisted Mrs. Connell with managing her infection.
18 When Mrs. Connell felt that she no longer needed this assistance, she let Joy go as she did not wish
19 to pay the professional fees anymore.

20 Contact information for "Jean" and Joy is entirely unknown.

21 Subsequent to the release of these nurses, on her own initiative, Mrs. Connell hired Linda
22 Vargas to assist her in either 2002 or 2003.

23 Linda Vargas was a home health aid/caregiver that was hired by Mrs. Connell. On
24 information and belief, Linda Vargas was not a licensed professional home care nurse/caregiver,
25 but Mrs. Connell expressed that she hired Ms. Vargas because had experience taking care of an
26

1 older lady and wanted to give Ms. Vargas a try.

2 Sally Rose was also a home health aid/caregiver that was hired by Mrs. Connell.

3 Another women by the name of "Dorothy", surname unknown by JACQUELINE
4 MONTTOYA, was also a home health aid/caregiver that was hired by Mrs. Connell.

5 Linda Vargas was the primary home health aid/caregiver for Mrs. Connell and Sally Rose
6 and Dorothy were used to fill in for Linda Vargas when she was not otherwise available.

7 Contact information for "Dorothy" is entirely unknown.

8 As to Linda Vargas, JACQUELINE MONTTOYA has the following telephone numbers in her
9 cellular phone: (702) 286-2429 (cell) and (702) 452-2128 (home)

10 As to Sally Rose, on information and belief, her cellular phone number might be (702) 650-
11 2247.

12
13 **INTERROGATORY NO. 9:**

14 **State the name of each in-patient or out-patient hospital, quick care facility,**
15 **long-term care facility and emergency facility that MARJORIE T. CONNELL visited**
16 **during the period of time from the year 2000 to her date of death on May 1, 2009.**

17 **RESPONSE TO INTERROGATORY NO. 9:**

18 On information and belief, Sunrise Hospital and Medical Center, in either 2001 or 2002, for
19 bed sore infection.

20 On information and belief, UMC, in approximately late April or early May of 2008 for
21 congestive heart failure issues, pneumonia, tracheotomy, infection from tracheotomy, kidney
22 failure, liver failure. Died at UMC on May 1, 2009.

23 On information and belief, Torrey Pines Care Center (1701 South Torrey Pines Dr.)
24 subsequent to late May or early June of 2008.

25 On information and belief, Kindred Care (5110 W. Sahara), first in approximately late May
26 or early June of 2008, shuttled to and from Kindred Care and UMC during this time frame.

1 On information and belief, Mountain View Hospital

2 On information and belief, Complex Care (2500 N. Tenaya)

3 **INTERROGATORY NO. 10:**

4 If you, or anyone on your behalf, have taken any oral, written or recorded
5 statements from any person regarding any issue pertaining to this matter, state the
6 full name, present residential address and telephone number of the person from who
7 each statements was taken; the name, telephone number and employer of the person
8 taking such statement; the names of each person having custody of such statements
9 and set forth the substance of each statement if oral, and if the statement is written,
10 attach a copy thereof to your Answer to these Interrogatories. Such written and
11 recorded statements shall also include, but not be limited to, any e-mails, scanned
12 access, and taped or recorded voice-mail messages or phone calls.

14 **RESPONSE TO INTERROGATORY NO. 10:**

15 See affidavits and statements discussed above under Response to Interrogatory No.1 and
16 No. 4. Joseph J. Powell obtained such information and had the conversations. Joseph J.
17 Powell has had conversations with Sarah Thrash Phillips, Cedric Phillips, Bill Porter, and
18 Denny Orten. The substance of the conversations has been regarding their desire to
19 participate in this matter to address the competency of Mrs. Connell and her stated desires
20 in regard to her assets/estate plan.

22 JACQUELINE MONTOYA has had discussions with Mozelle Miller, Bob Miller, and Jim
23 Walton after learning of Ms. Ahern's contest to the validity of Mrs. Connell's Last Will and
24 Testament dated January 7, 2008. The substance of the conversations has been regarding
25 their desire to participate in this matter to address the competency of Mrs. Connell.

27 **INTERROGATORY NO. 11:**

28 If you, or your agents, attorneys or experts or anyone representing your

1 interests, have made any investigations, prepared or obtained any reports, drawings,
2 sketches, maps, models, or any form of demonstrative or visual evidence, or taken
3 any photographs, slides or movies (including videotapes), or made any audio
4 recordings regarding any issue pertaining to this matter, state the name and address
5 of the person or persons preparing it, when and where it was prepared; a description
6 in detail of each items; and who currently has possession of them.
7

8 **RESPONSE TO INTERROGATORY NO. 11:**

9 Objection. JAQUELINE MONTOYA objects to this request as overly broad, unduly
10 burdensome, vague, ambiguous, and not reasonably specific. This discovery request is so broad and
11 unlimited as to time and scope as to be an unwarranted annoyance, embarrassment, and is
12 oppressive. To comply with the request would be an undue burden on JACQUELINE MONTOYA.
13 The request is calculated to annoy and harass JACQUELINE MONTOYA.

14 Notwithstanding this objection, see responses to Interrogatories 1 and 4.

15 **INTERROGATORY NO. 12:**

16 What facts do you propose to rely upon in support of your allegations
17 contained in the Petition for Probate of Will of Marjorie T. Connell and Declaration
18 of Validity of Will Pursuant to NRS 30.040? Please describe each fact in detail, and
19 please indicate the allegation for which each fact supports.
20

21 **RESPONSE TO INTERROGATORY NO. 12:**

22 See Responses to Interrogatories 1 and 4 and affidavits of David Straus, Esq., Josefina A.
23 Jones, and Sharon A. Davis.

24 Marjorie T. Connell signed her Last Will and Testament on January 7, 2008 in the presence
25 of two disinterested witnesses, Josefina C. Jones and Sharon A. Davis, after having discussed the
26 document with her attorney, David Straus. Ms. Jones and Ms. Davis have declared that they
27 witnessed the signature and in turn attested to the signature. Ms. Jones and Ms. Davis declared
28

1 that Mrs. Connell signed the document willingly and knowingly and was acting free of any duress
2 or other infirmity.

3 David Straus, Esq. has confirmed Mrs. Connell's intent to exercise her power of
4 appointment over Trust No. 3 of the W.N. Connell and Marjorie T. Connell Living Trust in her Last
5 Will and Testament.

6
7 **INTERROGATORY NO. 13:**

8 **Were you named or otherwise designated as MARJORIE T. CONNELL's agent**
9 **in her healthcare or financial powers of attorney during the period of time from the**
10 **year 2000 through MARJORIE T. CONNELL's death on May 1, 2009.**

11 **RESPONSE TO INTERROGATORY NO. 13:**

12 No. To her knowledge, JACQUELINE MONTOYA was never named as MARJORIE T.
13 CONNELL's primary healthcare agent or financial power of attorney at any time. JACQUELINE
14 MONTOYA was named a first successor health care agent pursuant to Mrs. Connell's Durable
15 Power of Attorney for Health Care, dated January 7, 2008. Mozelle Miller, Bob Miller, and Linda
16 Vargas were jointly named as the primary health care agents.

17
18 **INTERROGATORY NO. 14: If so, for each item state:**

- 19 **a. Its description, form, name, number, or other means of general**
20 **identification;**
21 **b. The date on which it was made, prepared, or taken;**
22 **c. The name, address and job title of each person who has possession of**
23 **the original and/or a copy of it; and**
24 **d. In what way it is relevant to the subject matter of this action.**

25 **RESPONSE TO INTERROGATORY NO. 14:**

26 See Response to Interrogatory 13.

27 David Straus has a copy of Mrs. Connell's Durable Power of Attorney for Health Care, dated
28

January 7, 2008.

INTERROGATORY NO. 15:

Describe, in detail, your involvement in the preparation and/or execution of the Last Will and Testament of MARJORIE T. CONNELL, dated January 7, 2008, any codicils thereto, and/or subsequent Last Will and Testament of MARJORIE T. CONNELL.

RESPONSE TO INTERROGATORY NO. 15:

JACQUELINE MONTOYA had no participation in the preparation or execution of the Last Will and Testament of Mrs. Connell.

INTERROGATORY NO. 16:

Please state the name(s), address(es), and telephone number(s) of each person whom you believe could provide testimony that MARJORIE T. CONNELL was competent to sign and not unduly influenced when signing her Will, and state how you became aware that such witness holds such opinion.

RESPONSE TO INTERROGATORY NO. 16:

See responses to Interrogatories 1 and 4.

David A Straus, JD, LL.M, CPA
900 Rancho Lane
Las Vegas NV 89106
702-474-4500

Joy C. Jones
900 Rancho Lane
Las Vegas, Nevada 89106
Phone (702) 474-4500

Sharon A. Davis
contact in care of David Straus, Esq.

Mozelle Miller
8140 E. Whitehorn Circle
Scottsdale, Arizona 85266

1 (214) 801-1516 (cell)
2
3 Bob Miller
4 8140 E. Whitehorn Circle
5 Scottsdale, Arizona 85266
6
7 Sheila White
8 2693 Meadowlawn Drive
9 Marietta, Georgia 30067
10
11 Jim Walton
12 PO Box 2514
13 Midland, TX 79702
14 (432) 682-9336
15 jwalton106@gmail.com
16
17 Corey Haina
18 13917 Artesia Blvd
19 Cerritos, CA 90703
20 (714) 496-5661
21 fasttax4@gmail.com
22
23 Sarah Thrash Phillips
24 cblp_01@yahoo.com
25 106 Deer Valley Park
26 Rainbow City, AL 35906
27 (256) 413-0426
28
29 Cedric Phillips
30 cblp_01@yahoo.com
31 106 Deer Valley Park
32 Rainbow City, AL 35906
33 (256) 413-0426
34
35 Bill Porter
36 (760) 765-0631 / (760) 347-4601
37
38 Betty Porter
39 (760) 765-0631 / (760) 347-4601
40
41 Denny Orten
42 dennyo@coldwelladvantage.com
43 285 East 500 North
44 Panguitch, Utah 84759
45 (435) 590-1756

1 Jean Orten
2 dennyo@coldwelladvantage.com
3 285 East 500 North
4 Panguitch, Utah 84759
5 (435) 590-1756

6 Joseph J. Powell, Esq. spoke with David Straus and Joy C. Jones to obtain the
7 opinion that Mrs. Connell possessed the competency and was not unduly influenced.
8 An affidavit was prepared for Sharon A. Davis based with conversation from Joy C.
9 Jones and David Straus and Ms. Davis signed such affidavit confirming her beliefs.
10 Joseph J. Powell has also spoken to Sarah Thrash Phillips, Cedric Phillips, Bill Porter, and
11 Denny Orten.

12 JACQUELINE MONTOYA has spoken with Mozelle Miller, Bob Miller, Sheila White, Jim
13 Walton, and Corey Haina on several occasions.

14 **INTERROGATORY NO. 17:**

15 **Describe, in detail, your involvement in the preparation and/or execution of**
16 **the January 7, 2008 Total Amendment and Restatement of the MTC LIVING TRUST,**
17 **dated December 6, 1995, and any amendments or restatements thereof.**

18 **RESPONSE TO INTERROGATORY NO. 17:**

19 None. JACQUELINE MONTOYA did not participate in the preparation or execution of the
20 January 7, 2008 restatement of the MTC Living Trust.

21 **INTERROGATORY NO. 18:**

22 **Describe, in detail, any assets you owned as a joint tenant with MARJORIE T.**
23 **CONNELL on the date of her death, including any and all real property.**

24 **RESPONSE TO INTERROGATORY NO. 18:**

25 None. JACQUELINE MONTOYA was not a joint tenant with Mrs. Connell on any assets
26 belonging to Mrs. Connell.
27
28

INTERROGATORY NO. 19:

Describe, in detail, any inheritance your received from MARJORIE T. CONNELL as a named beneficiary on any life insurance policies, annuities, brokerage accounts, beneficiary deeds and/or retirement accounts.

RESPONSE TO INTERROGATORY NO. 19:

None. JACQUELINE MONTOYA was not a named beneficiary on any accounts, deeds, or assets belonging to Mrs. Connell on the date of her death that passed individually to JACQUELINE MONTAYA via beneficiary designation or operation of law.

INTERROGATORY NO. 20:

Describe, in detail, any credit cards or bank accounts held in MARJORIE T. CONNELL's named which you were a designated as a signer or authorized user from the year 2000 to the date of her death on May 1, 2009.

RESPONSE TO INTERROGATORY NO. 20:

Jacqueline Montoya was added as a signer to the Wells Fargo account, number 083-242-1515, on December 28, 1999 by Mrs. Connell. Jacqueline Montoya was also added as signer to Mrs. Connell's Wells Fargo account, a checking account, number 084-953-2551, around this same time frame as well.

INTERROGATORY NO. 21:

Describe, in detail, any loans made to you, your spouse, or your child(ren) from MARJORIE T. CONNELL, or a Trust of which MARJORIE T. CONNELL was Trustor or Settlor, including, but not limited to, the MTC LIVING TRUST, dated December 6, 1995, from the year 2000 to the date of her death on May 1, 2009. Describe, in detail, any repayments made or the forgiveness of any payments with respect to such loans.

RESPONSE TO INTERROGATORY NO. 21:

Mrs. Connell co-signed for JACQUELINE MONTOYA for the purchase of JACQUELINE

1 MONTOYA's first car, with JACQUELINE MONTOYA making all of the payments on such purchase
2 out of her personal funds. Mrs. Connell also made a loan to JACQUELINE MONTOYA in 2000 for
3 in the amount of \$10,000 so that JACQUELINE MONTOYA could purchase a replacement wedding
4 ring. In 2000, JACQUELINE MONTOYA's wedding ring was stolen. JACQUELINE MONTOYA
5 repaid the loan within 6 months of receiving it. Mrs. Connell made random loans throughout her
6 lifetime to JACQUELINE MONTOYA, all of which were paid back in their entirety by JACQUELINE
7 MONTOYA with the exception of the last loan made to JACQUELINE MONTOYA by Mrs. Connell.

8 The last loan Mrs. Connell provided to JACQUELINE MONTOYA was when JACQUELINE
9 MONTOYA was building her current home. It was a loan of \$150,000. Within 3 years of the loan
10 being made, JACQUELINE MONTOYA paid back over \$75,000, but Mrs. Connell passed away
11 before JACQUELINE MONTOYA could complete the payment of the remaining balance.
12

13 **INTERROGATORY NO. 22:**

14 **Describe, in detail, any gifts made to you, your spouse, or your child(ren) from**
15 **MARJORIE T. CONNELL, or a Trust of which MARJORIE T. CONNELL was Trustor,**
16 **including, but not limited to, the MTC LIVING TRUST, dated December 6, 1995.**
17

18 **RESPONSE TO INTERROGATORY NO. 22:**

19 Mrs. Connell gave the standard, nominal gifts throughout her lifetime to JACQUELINE
20 MONTOYA in amounts that cannot be recalled with absolute precision. On information and belief,
21 JACQUELINE MONTOYA received \$100 for Christmas, which was the same amount given to
22 KATHRYN BOUVIER, and Ms. Ahern, while JACQUELINE MONTOYA's husband and children
23 were each given \$50. For birthdays, upon information and belief, JACQUELINE MONTOYA
24 would receive \$200 from Mrs. Connell, the same amount received by KATHRYN BOUVIER and
25 Ms. Ahern, while Mrs. Connell would give JACQUELINE MONTOYA's husband and children the
26 amount of \$50 each. In 2002, JACQUELINE MONTOYA was given a gift of \$10,000 from Mrs.
27 Connell. JACQUELINE MONTOYA also remembers receiving a glass table from Mrs. Connell after
28

1 she moved into her first rental home, which was believed to have been purchased for \$250.

2 In late 2008, while Mrs. Connell was in the Kindred Care facility on Sahara, unable to speak
3 and having to go through dialysis every other day - she wrote a note to JACQUELINE MONTOYA
4 that Linda Vargas gave to JACQUELINE MONTOYA, which was in Mrs. Connell's handwriting.
5 Mrs. Connell's note stated that she wanted JACQUELINE MONTOYA to handle purchasing gifts
6 for her family for the upcoming Christmas 2008. Mrs. Connell mostly wanted JACQUELINE
7 MONTOYA to order and ship out See's Candies to her family in Alabama. But Mrs. Connell also
8 wrote that she wanted to give Ms. Ahern, KATHRYN BOUVIER and JACQUELINE MONTOYA a
9 larger gift than normal that year. To the best of JACQUELINE MONTOYA's recollection she
10 believes that it was to be \$1000 each versus \$100 each. Mrs. Connell also included the husbands
11 of Kathryn Bouvier and JACQUELINE MONTOYA and their children. Although very ill, Mrs.
12 Connell took the time to write this list and spell out her wishes. JACQUELINE MONTOYA recalls
13 confirming with Mrs. Connell if she really wanted her to make these more sizeable gifts and she
14 patted JACQUELINE MONTOYA's hand and affirmatively nodded, signifying her confirmation.
15

16 Additionally, as to gifts to JACQUELINE MONTOYA's children, Mrs. Connell loved nothing
17 more than the children coming over and giving them animal cookies in the circus box, as well as \$5
18 bills.
19

20 **INTERROGATORY NO. 23:**

21 **Describe, in detail, your involvement with MARJORIE T. CONNELL and her**
22 **affairs from the year 2000 to the date of her death on May 1, 2009, including, but not**
23 **limited to, the care and assistance you provided to her, whether dealing with her**
24 **health care, finances, or otherwise. Specifically, describe in detail your involvement**
25 **with the Upton County, Texas, Oil rights.**
26

27 **RESPONSE TO INTERROGATORY NO. 23:**

28 Objection. JACQUELINE MONTOYA objects to this request as overly broad, unduly

1 burdensome, vague, ambiguous, and not reasonably specific. This discovery request is so broad and
2 unlimited as to time and scope as to be an unwarranted annoyance, embarrassment, and is
3 oppressive. To comply with the request would be an undue burden on JACQUELINE MONTOYA.
4 The request is calculated to annoy and harass JACQUELINE MONTOYA.

5 Notwithstanding this objection, during this time period, JACQUELINE MONTOYA did not
6 provide any care or assistance to Mrs. Connell ever as it relates to health care beyond occasionally
7 driving Mrs. Connell to a doctor's appointment. Generally, during this time period, all
8 transportation to doctor's appointments, which were infrequent, was provided by Linda Vargas.

9
10 Subsequent to Mrs. Connell's hospitalization in either 2001 or 2002, Mrs. Connell made
11 arrangements to hire professional home nurses. The first professional home nurse that Mrs.
12 Connell hired was believed to have the name of "Jean". A surname for "Jean" cannot be recalled
13 by JACQUELINE MONTOYA. "Jean" was then replaced by Mrs. Connell by a women named Joy.

14 JACQUELINE MONTOYA cannot recall Joy's surname. Again both "Jean" and Joy were
15 professional home nurses. "Jean" and Joy assisted Mrs. Connell with managing her infection.
16 When Mrs. Connell felt that she no longer needed this assistance, she let Joy go as she did not wish
17 to pay the professional fees anymore.
18

19 Subsequent to hiring and release of these nurses, on her own initiative, Mrs. Connell hired
20 Linda Vargas to assist her in either 2002 or 2003.

21 Linda Vargas was a home health aid/caregiver that was hired by Mrs. Connell. On
22 information and belief, Linda Vargas was not a licensed professional home care nurse/caregiver,
23 but Mrs. Connell expressed that she hired Ms. Vargas because had experience taking care of an
24 older lady and wanted to give Ms. Vargas a try.

25 Sally Rose was also a home health aid/caregiver that was hired by Mrs. Connell.

26 Another women by the name of "Dorothy", surname unknown by JACQUELINE
27 MONTOYA, was also a home health aid/caregiver that was hired by Mrs. Connell.
28

1 Linda Vargas was the primary home health aid/caregiver for Mrs. Connell and Sally Rose
2 and Dorothy were used to fill in for Linda Vargas when she was not otherwise available.

3 Upon her hospitalization in 2008, JACQUELINE MONTOYA faithfully visited Mrs. Connell
4 every morning, before work, and late at night, when ICU visits were permitted again after closure
5 from 6 to 9PM.
6

7 As to involvement with Mrs. Connell's finances, JACQUELINE MONTOYA's involvement
8 related to the Texas Oil Rights income and assisting Mrs. Connell with paying her bills. Mrs.
9 Connell added JACQUELINE MONTOYA to Wells Fargo account, number 083-242-1515, as a
10 signer on December 28, 1999. JACQUELINE MONTOYA was also added as a signer to Wells
11 Fargo account, number 084-953-2551 in approximately the same time frame.

12 Around this time frame of being added to the Wells Fargo account, number 083-242-
13 1515. Mrs. Connell requested that JACQUELINE MONTOYA help her with the record
14 keeping, deposits, and other aspects of managing the Texas oil and gas properties. In
15 respecting Mrs. Connell's instructions, JACQUELINE MONTOYA checked the mail, kept
16 the records, and deposited the run checks. Mrs. Connell and Ms. Ahern handled the
17 leases and division orders, and the signing and copying of all documents. At no time did
18 JACQUELINE MONTOYA ever act as trustee of The W.N. Connell and Marjorie T. Connell
19 Living Trust, but instead she acted at the direction of Mrs. Connell who was a co-trustee.
20 The duties followed by JACQUELINE MONTOYA based on the instruction from Mrs.
21 Connell each month included gathering the checks from the post office box to which they
22 were mailed from the various lessees and depositing them into the aforementioned Wells
23 Fargo account which was in the name of Mrs. Connell and Ms. Ahern, which has been a
24 longstanding account that was originally opened by Mrs. Connell and Ms. Ahern in 1980.
25
26
27
28

1 This account has always been referred to and commonly known by the parties as the "oil
2 and gas account."

3 As soon as all the income checks were in the Wells Fargo account from the various
4 leases in effect, at approximately the first of the month, JACQUELINE MONTOYA would
5 proceed to divide the money, with 35% going to Ms. Ahern, and 65% going to Mrs. Connell.
6

7 As to the Wells Fargo account, number 084-953-2551, JACQUELINE MONTOYA
8 would pay Mrs. Connell's bills from, from approximately early 2000 through the date of her
9 death. In the beginning, when JACQUELINE MONTOYA was added to Mrs. Connell's
10 account, JACQUELINE MONTOYA paid bills through the mail and then latter Mrs. Connell
11 allowed JACQUELINE MONTOYA to create an the online version of the account to allow
12 her to pay Mrs. Connell's bills electronically. Mrs. Connell always received her bank
13 statements directly and reviewed them, even when hospitalized. JACQUELINE MONTOYA
14 would also make other payments and gifts as she was directed by Mrs. Connell.
15
16

17 **INTERROGATORY NO. 24:**

18 Describe, in detail, the substance of each and every conversation you had with
19 MARJORIE T. CONNELL and every statement she made which you overheard from
20 the year 2000 through the date of her death on May 1, 2009 which concerned or
21 related to the distribution of her assets and estate, including but not limited to the
22 Upton County, Texas, Oil rights, and/or her intentions for the same, stating the date
23 thereof and stating the name, address and telephone number of anyone who was
24 present during or at the time thereof.
25

26 **RESPONSE TO INTERROGATORY NO. 24:**

27 Objection. JACQUELINE MONTOYA objects to this request as overly broad, unduly
28 burdensome, vague, ambiguous, and not reasonably specific. This discovery request is so broad and

1 unlimited as to time and scope as to be an unwarranted annoyance, embarrassment, and is
2 oppressive. To comply with the request would be an undue burden on JACQUELINE MONTOYA.
3 The request is calculated to annoy and harass JACQUELINE MONTOYA.

4 Notwithstanding this objection, Mrs. Connell did not discuss her estate plan with
5 JACQUELINE MONTOYA, with one exception. Mrs. Connell did inform JACQUELINE MONTOYA
6 that she was doing her estate planning with David Straus, Esq., but did not inform JACQUELINE
7 MONTOYA of the substance of her estate plan, except to inform her on January 7, 2008 that she
8 was planning to leave Ms. Ahern \$100,000.
9

10 As to the Texas Oil Rights and the income therefrom see Interrogatory Response No. 23.

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VERIFICATION

STATE OF NEVADA)

COUNTY OF CLARK)

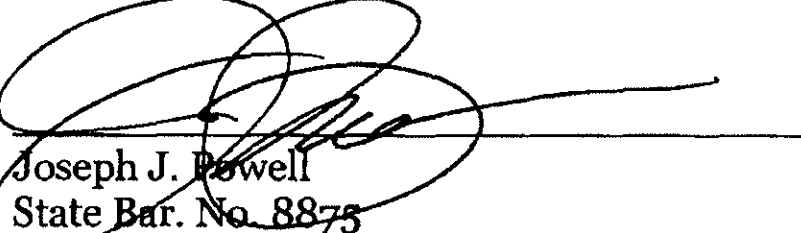
I declare under penalty of perjury of the laws of the State of Nevada that the foregoing is true and correct.

JACQUELINE MONTOYA says that she has read the foregoing answers to interrogatories and knows the contents thereof; and that the same is true to the best of her own knowledge, except as to those matters therein stated to be to the best of her memory and recollection, which she believes the same to be true and correct.


JACQUELINE MONTOYA

8/29/14
Date

As to Objections:


Joseph J. Powell
State Bar. No. 8875
9505 Hillwood Drive, Suite 100
Las Vegas, NV 89134-0514

8/29/14
Date

Exhibit 24

From: Montoya, Jacquie [<mailto:Jacqueline.Montoya@wynnlasvegas.com>]
Sent: Tuesday, July 28, 2009 11:25 AM
To: David Straus
Cc: Kathy and Mike Bouvier
Subject: Thoughts on Brian's Petition

Hi David,

After reviewing Brian's petition last night, I had a couple of thoughts that I wanted to run by you. First, Kathy's legal name is Kathryn not Katherine. Can you have him update it?

Also, page 16 seems to communicate that my mom will oversee both trusts which I know Nanna did not want. I thought the goal was to make sure that the 1979 Trust was clear so that my mom could not give away her 1/3 interest to anyone other than my sister and I.

Please advise when you have time.

Regards,
Jacquie

jacqueline montoya | executive director of weddings

wynn | encore

p. 702.770.7400 | f. 702.770.1574

3131 las vegas blvd. south | las vegas | nv 89109

jacqueline.montoya@wynnlasvegas.com | toll free 888.320.7115

The information contained in this correspondence is confidential and intended for the use of individual or entity named above. Unauthorized distribution is prohibited.

TRF_000036

AA 2238 207-2

Exhibit 25

1 **CONS**
2 **SOLOMON DWIGGINS & FREER, LTD.**
3 **MARK A. SOLOMON, ESQ.**
4 Nevada State Bar No. 00418
5 **BRIAN K. STEADMAN, ESQ.**
6 Nevada State Bar No. 10771
7 9060 W. Cheyenne Avenue
8 Las Vegas, Nevada 89129
9 Telephone: (702) 853-5483
10 Facsimile: (702) 853-5485
11 E-mail: msolomon@sdfnvlaw.com
12 Email: bsteadman@sdfnvlaw.com

13 Attorneys for Eleanor C. Ahern, Petitioner

14 **DISTRICT COURT**
15 **CLARK COUNTY, NEVADA**

16 In the Matter of the)
17 THE W. N. CONNELL AND MARJORIE)
18 T. CONNELL LIVING TRUST,)
19 Dated May 18, 1972)
20)
21 An Intervivos Irrevocable Trust.)
22)
23)
24)
25)
26)
27)
28)

Case No.
Department No.

Date of Hearing:
Time of Hearing:

29 **CONSENT TO PETITION TO ASSUME JURISDICTION OVER TRUST; CONFIRM TRUSTEE; AND**
30 **CONSTRUE AND REFORM TRUST AND WAIVER OF NOTICE**

31 JACQUELINE M. MONTOYA, an interested party in the above-named Trust matter, states
32 as follows:

33 1. I am a contingent income beneficiary of the W. N. CONNELL AND MARJORIE T.
34 CONNELL LIVING TRUST, dated May 18, 1972 (the "Trust").

35 2. I have read the Petition to Assume Jurisdiction Over Trust; Confirm Trustee, and
36 Construe and Reform Trust (the "Petition") and believe it to be true and correct to the best of my
37 knowledge.

38 3. I hereby consent to the Petition and request that the Court enter an Order approving
39 the Petition in its entirety.

40 4. I hereby waive notice of notice of the hearing on the Petition pursuant to Nevada

1 Revise Statutes 155.010(4).

2 Dated this 8 day of August, 2009.

3
4 
5 JACQUELINE M. MONTOYA

6
7 **SOLOMON DWIGGINS & FREER, LTD.**

8
9 By: 

10 MARK A. SOLOMON, ESQ.
11 Nevada Bar No. 00418
12 BRIAN K. STEADMAN, ESQ.
Nevada Bar No. 10771
9060 W. Cheyenne Avenue
Las Vegas, NV 89129

13 Attorneys for Eleanor C. Ahern, Petitioner
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CONSENT TO REFORMATION

TO: JACQUELINE M. MONTOYA
FROM: SOLOMON, DWIGGINS, & FREER, LTD.
RE: THE W. N. CONNELL AND MARJORIE T. CONNELL LIVING TRUST
DATE: August 4, 2009

This Consent to Reformation has been prepared to outline the potential tax implications on some of the changes to the W. N. Connell and Marjorie T. Connell Living Trust (the "Trust") in the event the Petition for Reformation of the Trust is approved of by the Nevada Court.

Purpose of the Reformation

As you know, the Trust omits directions as to the final disposition of Trust No. 2 after Eleanor C. Ahern's death. The Petition for Reformation fixes this omission by providing that one-half (1/2) of the remaining assets are to be distributed outright to you upon Eleanor's death. The Petition for Reformation also gives you an additional power, commonly known as a "testamentary general power of appointment." This power is discussed in more detail below.

Estate and Generation-Skipping Transfer Taxes Upon Eleanor C. Ahern's Death

We have reviewed the Trust and applicable law, and have concluded that under applicable law: (1) upon Eleanor C. Ahern's death, the assets in Trust No. 2 will not be included in Eleanor's estate for federal estate tax purposes; and (2) that no generation-skipping transfer taxes will be due on the assets that pass to you after her death.

Estate Taxes Upon Your Death

The Petition for Reformation gives you two rights that will cause your share of Trust No. 2 to be included in your estate for federal estate tax purposes. Those rights are: (1) outright distribution to you of your share of the assets upon Eleanor's death; and (2) a testamentary general power of appointment giving you the right, effective on your death, to appoint the assets to whomever you choose. These rights may also carry with them state estate and inheritance tax consequences that should be discussed with your estate planning attorney.

Right to Outright Distribution

The reason the Petition for Reformation includes an outright distribution is to give you full control over your share of Trust No. 2 after Eleanor's death (as opposed to limiting your control by keeping your share in the Trust for your lifetime). If Eleanor dies before you, the right to outright distribution of your share will cause your share of Trust No. 2 to be included in your estate for federal estate tax purposes upon your death.

Because the asset will be included in your federal estate upon your death, in the event your total federal estate exceeds the federal estate tax credit (currently \$3.5 million, but is subject to

change), your heirs may be required to pay federal estate taxes. If you have made lifetime gifts using what is commonly known as your “unified credit,” the amount of the federal estate tax credit available to you at your death may also be affected. If your total federal estate does not exceed the federal estate tax credit in effect upon your death, and you have not made any lifetime gifts, then no tax will be levied against your estate.

Testamentary General Power of Appointment

In addition to receiving your share of the remainder of Trust No. 2 outright upon Eleanor’s death, the Petition for Reformation grants you a “testamentary general power of appointment” over your share of the remaining assets. The purpose of this power is to allow you to direct where you want your share of the remainder of Trust No. 2 to pass if you die before Eleanor. Of course, Eleanor will still be receive all the income from Trust No. 2 until her death, but, after her death, your share will pass to whomever you have directed.

You can exercise this testamentary power of appointment by indicating your intentions in your Will, your revocable trust, or a separate written document signed by you. You should contact the attorney preparing your estate plan to discuss this power, and its implications, in more detail.

In the event that you were to pass away before Eleanor, the testamentary general power of appointment will cause the value of your “remainder interest” (i.e. the present value of a future expectancy) to be included in your estate for federal estate tax purposes. The amount included in your federal estate will not be the full value of your share of Trust No. 2 (since your heirs will not receive your share until Eleanor also passes away) but will be valued at a lower amount.

Because your share of the “remainder interest” in Trust No. 2 will be included in your federal estate upon your death, in the event your total federal estate exceeds the federal estate tax credit (currently \$3.5 million, but is subject to change), then your heirs may be required to pay federal estate taxes. If you have made lifetime gifts using what is commonly known as your “unified credit” the amount of the federal estate tax credit available to you may also be affected. If your total federal estate does not exceed the federal estate tax credit in effect upon your death, and you have not made any lifetime gifts, then no tax will be levied against your estate.

Alternative

An alternative to granting you these rights is to hold your share of the remaining assets after Eleanor’s death in the Trust for your benefit, during your lifetime, and then for your children thereafter. The benefit for this alternative is that, under current applicable law, the assets would pass to your children free of federal estate taxes and generation-skipping transfer taxes. The downside, however, is that the assets would have to remain in the Trust, and you would be limited on how much of the assets you could access and control.

We recommend that you review these issues with your estate planning attorney to determine how the rights granted to you in the Petition for Reformation may affect your estate. However, if you have any questions regarding this letter, please feel free to contact me directly.

By signing below, you hereby acknowledge that you have been informed and understand there may be federal and state tax consequences from the rights granted to you under the Petition for Reformation of the Trust as described herein, you hereby acknowledge that you have had the opportunity to discuss these issues with your counsel, and you hereby consent to the filing of the Petition for Reformation containing the rights granted to you, as outlined herein.

Date: _____

Aug. 8, 2009

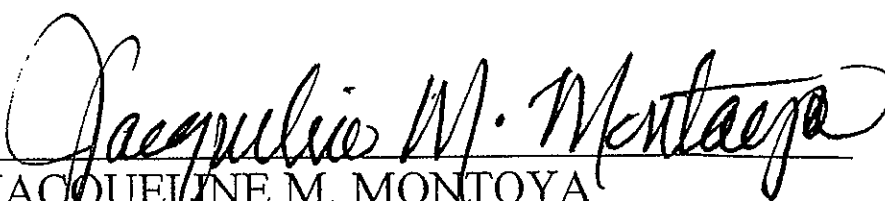

JACQUELINE M. MONTOYA

Exhibit 26

1 **CONS**
2 SOLOMON DWIGGINS & FREER, LTD.
3 MARK A. SOLOMON, ESQ.
4 Nevada State Bar No. 00418
5 BRIAN K. STEADMAN, ESQ.
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11 E-mail: msolomon@sdfnvlaw.com
12 Email: bsteadman@sdfnvlaw.com

13 Attorneys for Eleanor C. Ahern, Petitioner

14 **DISTRICT COURT**
15 **CLARK COUNTY, NEVADA**

16 In the Matter of the)
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29 **CONSENT TO PETITION TO ASSUME JURISDICTION OVER TRUST; CONFIRM TRUSTEE; AND**
30 **CONSTRUE AND REFORM TRUST AND WAIVER OF NOTICE**

31 KATHRYN A. BOUVIER, an interested party in the above-named Trust matter, states as
32 follows:

33 1. I am a contingent income beneficiary of the W. N. CONNELL AND MARJORIE T.
34 CONNELL LIVING TRUST, dated May 18, 1972 (the "Trust").

35 2. I have read the Petition to Assume Jurisdiction Over Trust; Confirm Trustee, and
36 Construe and Reform Trust (the "Petition") and believe it to be true and correct to the best of my
37 knowledge.

38 3. I hereby consent to the Petition and request that the Court enter an Order approving
39 the Petition in its entirety.

40 4. I hereby waive notice of notice of the hearing on the Petition pursuant to Nevada

1 Revise Statutes 155.010(4).

2 Dated this 9 day of August, 2009.

3

4


KATHRYN A. BOUVIER

5

6

7 **SOLOMON DWIGGINS & FREER, LTD.**

8

9 By: 

10 MARK A. SOLOMON, ESQ.
Nevada Bar No. 00418
11 BRIAN K. STEADMAN, ESQ.
Nevada Bar No. 10771
12 9060 W. Cheyenne Avenue
Las Vegas, NV 89129

13 Attorneys for Eleanor C. Ahern, Petitioner

14

15

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CONSENT TO REFORMATION

TO: KATHRYN A. BOUVIER
FROM: SOLOMON, DWIGGINS, & FREER, LTD.
RE: THE W. N. CONNELL AND MARJORIE T. CONNELL LIVING TRUST
DATE: August 4, 2009

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You can exercise this testamentary power of appointment by indicating your intentions in your Will, your revocable trust, or a separate written document signed by you. You should contact the attorney preparing your estate plan to discuss this power, and its implications, in more detail.

In the event that you were to pass away before Eleanor, the testamentary general power of appointment will cause the value of your “remainder interest” (i.e. the present value of a future expectancy) to be included in your estate for federal estate tax purposes. The amount included in your federal estate will not be the full value of your share of Trust No. 2 (since your heirs will not receive your share until Eleanor also passes away) but will be valued at a lower amount.

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By signing below, you hereby acknowledge that you have been informed and understand there may be federal and state tax consequences from the rights granted to you under the Petition for Reformation of the Trust as described herein, you hereby acknowledge that you have had the opportunity to discuss these issues with your counsel, and you hereby consent to the filing of the Petition for Reformation containing the rights granted to you, as outlined herein.

Date: 8/9/09


KATHRYN A. BOUVIER

Exhibit 27

THE RUSHFORTH FIRM, LTD.
Telephone: 702-255-4552 / Fax: 702-255-4677
9505 Hillwood Drive, Suite 100
Las Vegas, Nevada 89134-0514

RESP
JOSEPH J. POWELL
State Bar No. 8875
THE RUSHFORTH FIRM, LTD.
P. O. Box 371655
Las Vegas, NV 89137-1655
Telephone: (702) 255-4552
fax: (702) 255-4677
e-mail: probate@rushforthfirm.com
Attorneys for Jacqueline M. Montoya

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate

of

**THE W. N. CONNELL and MARJORIE
T. CONNELL LIVING TRUST**, dated
May 18, 1972,

A non-testamentary trust.

Case No. P-09-066425-T
Department XXVI, RJC

**JACQUELINE M. MONTOYA'S RESPONSES TO
ELEANOR C. AHERN'S FIRST SET OF INTERROGATORIES**

TO: ELEANOR C. AHERN, a/k/a ELEANOR CONNELL HARTMAN AHERN, Trustee of THE
W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST dated May 18, 1972, and
TO: JOHN R. MUGAN, ESQ. and MICHAEL D. LUM, ESQ., her attorneys
JACQUELINE M. MONTOYA, by and through her counsel, JOSEPH J. POWELL, Esq., of
THE RUSHFORTH FIRM, LTD., hereby submits her Responses to "First Set of Interrogatories to
Jacqueline M. Montoya" as follows:

PRELIMINARY STATEMENT AND OBJECTIONS

These answers are made solely for the purpose of this action. Each answer that is
given is subject to all appropriate objections which would require the exclusion of any

1 statement or evidence contained therein if the request was asked of a witness testifying in
2 court. These objections include, but are not limited to, admissibility, ambiguity, materiality,
3 competency, relevancy, vagueness, and any objection related to privileged matter. All such
4 objections are reserved and may be interposed at the time of trial or hearing on the various
5 claims.
6

7 Except for the facts expressly admitted, no admission of any nature whatsoever is to
8 be implied or inferred. The fact that any request has been complied with should not be
9 taken as an admission or should not be construed as a concession to the existence of any
10 facts set forth or assumed by such request. All responses must be construed as given on the
11 basis of present recollection.
12

13 JACQUELINE MONTOYAS' answers set forth herein are based upon facts and
14 information presently known or available to JACQUELINE MONTOYA. These answers are
15 provided without prejudice to its right, which is hereby reserved, to present additional facts
16 and/or evidence at trial or hearing(s) which are omitted through inadvertence, oversight,
17 or mistake. A further reservation is hereby made to supplement the various responses as
18 additional information is revealed, without motion and at any time. Case preparation and
19 discovery are continuing, and JACQUELINE MONTOYA may discover additional facts
20 and/or documents which are not set forth or identified herein. A full or partial answer does
21 not waive JACQUELINE MONTOYA'S objection to any other portion of the request.
22

24 JACQUELINE MONTOYA objects to every interrogatory to the extent that it seeks
25 information protected by either the attorney-client privilege or the work product doctrine.
26

27 JACQUELINE MONTOYA will not disclose any information which is protected by
28 the aforementioned doctrines or privileges. However, if it is later discovered that such

1 information was inadvertently identified or produced, JACQUELINE MONTOYA expressly
2 reserves the right to assert that no waiver of doctrine or privilege occurred and that if
3 produced, such document(s) and all copies thereof must be returned by JACQUELINE
4 MONTOYA immediately upon demand.
5

6 JACQUELINE MONTOYA objects to each of the interrogatories to the extent each
7 is overbroad in that it seeks information which is neither relevant to the action nor
8 calculated to lead to the discovery of admissible evidence.
9

10 JACQUELINE MONTOYA objects to each of the interrogatories to the extent each
11 is unduly burdensome and/or oppressive.
12

13 JACQUELINE MONTOYA objects to each of the interrogatories to the extent each
14 is intended to annoy, embarrass, or create undue expense and which is neither relevant to
15 the action nor calculated to lead to the discovery of admissible evidence.
16

17 **INTERROGATORY NO. 1:** Regarding each and every person who you are aware has knowledge
18 of any discoverable matter relating to this action, state the name(s) address(es), email address(es),
19 phone number(s), and the occupation(s), employer(s), and business address(es) for such person(s),
20 and provide a description of the discoverable matter of which such person has knowledge.

21 **RESPONSE TO INTERROGATORY NO. 1:**

22 Objection. JACQUELINE MONTOYA objects to this request as overly broad, unduly burdensome,
23 vague, ambiguous, and not reasonably specific. This discovery request is so broad and unlimited
24 as to time and scope as to be an unwarranted annoyance, embarrassment, and is oppressive. To
25 comply with the request would be an undue burden and expense on JACQUELINE MONTOYA. The
26 request is calculated to annoy and harass JACQUELINE MONTOYA.

27 JACQUELINE MONTOYA is unaware as to what the reference to "knowledge of any discoverable
28 matter relating to this action" is a reference to and is unable to speculate as to the meaning of this

1 vague request.

2 **INTERROGATORY NO. 2:** State the name(s), address(es), email address(es) and phone
3 number(s) of each person whom you expect may be called as an expert witness at the time of trial
4 of this action, including the qualifications of each person, and the subject matter on which each
5 expert may be expected to testify, including:
6

- 7 a. The substance of all facts about which each expert may be expected to testify at trial;
- 8 b. Identify each document which sets forth such facts, including each draft thereof;
9 and
- 10 c. A description of each opinion which each expert may be expected to testify about at
11 trial, including a summary of the grounds for each opinion.

12 **RESPONSE TO INTERROGATORY NO. 2:**

13 Objection. Premature Disclosure of Experts. Interrogatory No. 2 seeks premature disclosure of
14 expert opinion. The interrogatory also seeks attorney work-product. JACQUELINE MONTOYA
15 has not decided on which, if any, expert witnesses may be called at trial; insofar as this
16 interrogatory seeks to ascertain the identity, writings, and opinions of JACQUELINE MONTOYA's
17 experts who have been retained or utilized to date solely as an advisor or consultant, it is violative
18 of the work-product privilege.
19

20 Notwithstanding this Objection,

21 Daniel T. Gerety, CPA
22 President of Gerety & Associates, CPAs
23 6817 S. Eastern Ave., Suite 101
24 Las Vegas, Nevada 89119-4684
Ph: 702-933-2213
e-mail: dan@geretycpa.com

25 It is anticipated that Daniel T. Gerety will be presented as an expert witness at the time of
26 trial. The scope of Mr. Gerety's testimony will pertain to the reasonableness and appropriateness
27 of the allocation of assets done between Trust No. 2 and Trust No. 3 under THE W. N. CONNELL
28

1 and MARJORIE T. CONNELL LIVING TRUST, dated May 18, 1972, as reflected on the Texas
2 Inheritance Return—non resident, dated December 16, 1980, for Mr. Connell and specifically the
3 schedules attached thereto which reflected the figures used on the Form 706 filed for Mr. Connell.

4 Mr. Gerety is expected to testify that the allocation of 65% of the Texas real property and the oil,
5 gas, and mineral rights related thereto was appropriately allocated to Trust No. 3. Additionally, it
6 is expected that Mr. Gerety will testify that it would have been reasonable and appropriate for an
7 allocation of greater than 65% to have been made to Trust No. 3.
8

9 **INTERROGATORY NO. 3: Do you, your attorneys, your accountants, or any**
10 **person employed by you or your attorneys or your accountants, have possession of,**
11 **or know of the existence of, any:**

- 12 **a. Books or other printed material;**
13 **b. Records or reports made in the course of business;**
14 **c. Photographs, videotapes, electronic files, or digital movies;**
15 **d. Handwritten notes, emails, or memos;**
16 **e. Other documentary material; or**
17 **f. Other tangible objects which you intend to rely on to support the**
18 **allegations of your Petition For Declaratory Judgment Regarding**
19 **Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS**
20 **153.031(1)(E), And NRS 164.033(1)(A).**

21
22 **RESPONSE TO INTERROGATORY NO. 3:**

23 All exhibits attached to JACQUELINE's prior pleadings filed in this matter support the
24 allegations contained in the Petition For Declaratory Judgment Regarding Limited Interest Of Trust
25 Assets Pursuant To NRS 30.040, NRS 153.031(1)(E), And NRS 164.033(1)(A). JACQUELINE
26 MONTOYA reserves the right to discover and in turn use additional information and evidentiary
27
28

1 support that may be discovered, in addition to the trial exhibits that were previously submitted to
2 the Court, with courtesy copies to ELEANOR C. AHERN.

3 **INTERROGATORY NO. 4: If so, for each item state:**

- 4 **a. Its description, form, name, number, or other means of general**
5 **identification;**
6 **b. The date on which it was made, prepared, or taken;**
7 **c. The name, address and job title of each person who has possession of**
8 **the original and/or a copy of it; and**
9 **d. In what way it is relevant to the subject matter of this action.**

10 **RESPONSE TO INTERROGATORY NO. 4:**

11
12 Copies of all exhibits containing such documentation have been previously provided to Ms. Ahern
13 via her counsel of record. It is unknown who possesses the original versions of all documents with
14 the exception of the Last Will and Testament of Marjorie T. Connell which is possessed by the Clark
15 County, Nevada District Court Clerk.
16

17 **INTERROGATORY NO. 5: Were you involved in any way in the management,**
18 **control, negotiation, accounting, receipt of income, and/or payment of expenses**
19 **relating to the surface real estate located in Upton County, Texas, and the oil, gas and**
20 **mineral interests on and under such real estate and several oil, gas and mineral**
21 **interests in other acreage in Upton County, Texas (the "Upton County, Texas, Oil**
22 **rights)? If your answer is yes, for each item, describe in detail the following:**

- 23 **a. Your level of involvement including the specific actions taken by you;**
24 **b. The time frame of your involvement;**
25 **c. What documents were generated as a result of your involvement;**
26 **d. Whether you currently possess copies of the generated documents; and**
27
28

1 **e. If you do not current posses [sic] copies of the generated documents**
2 **provide the name(s), address(es), and contact information for the**
3 **person(s) who does possess such documents.**

4 **RESPONSE TO INTERROGATORY NO. 5:**

5 MARJORIE T. CONNELL managed Upton County, Texas real property and gas, oil, and
6 mineral rights related thereto until her death in 2009. MARJORIE T. CONNELL did the
7 active negotiating with oil companies and surface users and consulted other relatives on
8 decisions on the properties.

9 In 2000, MARJORIE T. CONNELL requested that JACQUELINE MONTOYA help her with
10 the record keeping, deposits, and other aspects of managing the Upton County, Texas real
11 estate and the oil, gas, and mineral rights related to such property. In following
12 MARJORIE T. CONNELL's instructions, JACQUELINE checked the mail, kept the records,
13 and deposited the run checks. MARJORIE T. CONNELL and ELEANOR C. AHERN
14 handled the leases and division orders related to the Upton County, Texas real estate, and
15 the signing and copying of all documents.

16 Approximately two to three weeks after the passing of MARJORIE T. CONNELL,
17 JACQUELINE MONTOYA met with ELEANOR C. AHERN and KATHRYN BOUVIER
18 regarding their desire and intentions with the administration of the oil and gas income.
19 ELEANOR C. AHERN and KATHRYN BOUVIER orally expressed the desire for
20 JACQUELINE MONTOYA to continue with her bookkeeping duties that MARJORIE T.
21 CONNELL has requested that JACQUELINE MONTOYA provide. To the best of her
22 recollection, JACQUELINE MONTOYA handle two pipeline leases in 2010 which totaled
23 a combined approximate amount of \$30,000.

1 After the passing of MARJORIE T. CONNELL, JACQUELINE MONTOYA sent periodic
2 spreadsheets to both ELEANOR C. AHERN and KATHRYN BOUVIER which reflected the
3 income payments that had been received, together with the associated expenses.
4

5
6 In 2012, the Apache Corporation leases expired and new negotiations began for new leases.
7 JACQUELINE MONTOYA participated in these negotiations. Assisting in such
8 negotiations was JIM WALTON together with other family members of ELEANOR C.
9 AHERN.
10

11 Negotiations resulted in securing the amount of \$3,000 per acre. JEFFREY JOHNSTON
12 represented other family members in the review and preparation of proposed lease
13 agreements with Apache Corporation. On April 4, 2012, or thereabouts, JEFFREY
14 JOHNSTON sent what were believed to be final, signature ready version of the leases to
15 JACQUELINE MONTOYA. Upon receipt of the signature ready versions of the leases,
16 JACQUELINE MONTOYA printed out the PDF versions of these documents and delivered
17 the leases to ELEANOR C. AHERN for her review and signature. JACQUELINE MONTOYA
18 also assisted ELEANOR C. AHERN with scheduling a notary to appear at ELEANOR C.
19 AHERN's residence, as the leases required that ELEANOR C. AHERN's signatures be
20 notarized. ELEANOR C. AHERN signed the leases and JACQUELINE MONTOYA assisted
21 ELEANOR C. AHERN in getting those sent back to JEFFREY JOHNSTON on or about
22 April 5, 2012. Unbeknownst to JACQUELINE MONTOYA, ELEANOR C. AHERN contacted
23 JEFFREY JOHNSTON on or about April 5, 2012 and informed him that the lease
24 agreements that she signed should be held and not transferred to Apache until further
25 notice. Sometime thereafter, ELEANOR C. AHERN and JEFFREY JOHNSTON spoke for
26
27
28

1 approximately 3.5 hours and went over each provision of the leases in detail to the apparent
2 satisfaction of ELEANOR C. AHERN as she then authorized the leases to be forwarded to
3 Apache Corporation to complete the agreements. In approximately the middle of May
4 2012, JACQUELINE MONTOYA received a package from Fed Ex which contained fully
5 executed copies of all of the 2012 Apache Corporation lease agreements. On
6 approximately, July 4, 2012, ELEANOR C. AHERN requested that JACQUELINE
7 MONTOYA have no further involvement with the bookkeeping related to the Oil rights.
8 JACQUELINE MONTOYA has had no involvement with the oil and gas interests since July
9 of 2012.
10
11

12 **INTERROGATORY NO. 6: What are the full account numbers, names of the**
13 **accounts, name(s) of the financial institution(s) for each account, and the period**
14 **during which each account was open for all previous and/or current bank accounts**
15 **that you were or are a signatory on and/or that you administer or administered**
16 **and/or that you make or made deposits or wire transfers into and/or distributions**
17 **from and/or that you use, or have used, in any way concerning the Upton County,**
18 **Texas, Oil rights.**
19

20 **RESPONSE TO INTERROGATORY NO. 6:**

21 The sole and lone financial account that JACQUELINE MONTOYA was on in relation to the
22 Upton County, Texas Oil rights was a Wells Fargo account, with an account number of
23 #083-242-1515. JACQUELINE MONTOYA was placed on the account sometime around
24 1999/2000 by MARJORIE T. CONNELL. To the best of her knowledge, JACQUELINE MONTOYA
25 was removed from that account on approximately July 4, 2012 by ELEANOR C. AHERN. The
26 account was initially established in 1980 by MARJORIE T. CONNELL and ELEANOR C. AHERN.
27
28

1 In approximately 2005, MARJORIE T. CONNELL asked JACQUELINE MONTOYA to write the
2 distribution checks related to the oil and gas income out based on the appropriate percent to her
3 and ELEANOR C. AHERN. This same process continued after MARJORIE T. CONNELL's death,
4 as JACQUELINE MONTOYA asked ELEANOR C. AHERN and KATHRYN BOUVIER if they wanted
5 to hire an accountant or follow the same process that had been in place for years. They both agreed
6 to continue as is. In fact, they both had JACQUELINE MONTOYA added to their respective savings
7 and checking accounts so JACQUELINE MONTOYA could directly transfer their monthly
8 distributions versus writing checks. However, in the fall of 2011, JACQUELINE MONTOYA
9 received a call from Wells Fargo Security stating that someone in NY had just logged into her
10 account. They were concerned that all accounts that JACQUELINE MONTOYA was on could have
11 been compromised by being hacked into as well. They suggested that JACQUELINE MONTOYA
12 close all accounts that she was on and have them reopened. JACQUELINE MONTOYA contacted
13 KATHRYN BOUVIER and ELEANOR C. AHERN and explained what had happened.
14 JACQUELINE MONTOYA informed them that she would go into Wells Fargo and write up all the
15 forms again, then have them faxed to KATHRYN BOUVIER (as she was in ID) and have the papers
16 held for ELEANOR C. AHERN, so in essence all they would have to do it go in and sign again. They
17 both informed JACQUELINE MONTOYA that they handled it and the distribution process
18 continued until JACQUELINE MONTOYA requested the checks associated with the Wells Fargo
19 account, #083-242-1515 back in July of 2012.

22 **INTERROGATORY NO. 7: Do you possess any documents relating to the Upton**
23 **County, Texas, Oil rights? If you answer yes, for each item, state the following:**

- 24 **a. Its description, form, name, or other means of general identification;**
25 **b. The date on which it was made, prepared, or taken; and**
26 **c. The name, address and job title of each person who has possession of**
27 **the original and/or a copy of it.**
28

RESPONSE TO INTERROGATORY NO. 7:

Objection. Equally Available. The information sought in Interrogatory No. 7 request is equally available to ELEANOR C. AHERN.

Notwithstanding this Objection, JACQUELINE MONTOYA possesses copies of proposed leases with Apache Corporation which were sent to her via e-mail on or about April 4, 2012 by JEFFREY JOHNSTON, Esq. JACQUELINE MONTOYA also possesses copies of the signed lease agreements with Apache Corporation which were mailed to her via Fed Ex in approximately the middle of May of 2012. To the best of JACQUELINE MONTOYA's current recollection, she turned over all documents and information that she had regarding the Upton County, Texas Oil rights to ELEANOR C. AHERN's prior counsel, SHAUNA BRENNAN, Esq., on or about October 27, 2012. Furthermore, documents were turned over to ELEANOR C. AHERN's counsel located in Texas, JEFFREY JOHNSTON, Esq. in approximately November of 2013 via JACQUELINE MONTOYA's Texas counsel, Mary Lou Cassidy, Esq. ELEANOR C. AHERN has the contact information for her prior and current counsel.

INTERROGATORY NO. 8: Do you possess any documents relating to the W. N. CONNELL AND MARJORIE T. CONNELL LIVING TRUST dated May 18, 1972 or any sub-trust thereunder? If you answer yes, for each item, state the following:

- a. Its description, form, name, or other means of general identification;**
- b. The date on which it was made, prepared, or taken; and**
- c. The name, address, job title of each person who has possession of the original and/or copy of it.**

RESPONSE TO INTERROGATORY NO. 8:

JACQUELINE MONTOYA possesses a copy of THE W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST, dated May 18, 1972. Additionally, JACQUELINE MONTOYA possesses a copy of the Texas Inheritance Return--non resident, dated December 16, 1980. Furthermore,

JACQUELINE MONTOYA possesses a copy of a letter from the Comptroller of Public Accounts, State of Texas dated March 30, 1982. Also, JACQUELINE MONTOYA possesses a copy of a letter from the Internal Revenue Service dated October 30, 1981.

INTERROGATORY NO. 9: Do you possess any state and/or federal income and/or estate tax returns and/or information pertaining to MARJORIE T. CONNELL, including, but not limited to the Form 706 United States Estate (and Generation-Skipping Transfer) Tax Return? If your answer is yes, for each item state the following:

- a. Its description, form, name, or other means of general identification;**
- b. The date on which it was made, prepared, or taken; and**
- c. The name, address and job title of each person who has possession of the original and/or a copy of it.**

RESPONSE TO INTERROGATORY NO. 9:

Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 9 is irrelevant to the subject matter of this matter, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. As such, JACQUELINE objects that such request seeks information irrelevant to this proceeding and seeks information beyond the scope of this matter.

Notwithstanding this Objection, JACQUELINE MONTOYA has a copy of the Form 706 for MARJORIE T. CONNELL and tax filings done on her behalf following her death. Additionally, Corey Haina, CPA, is believed to have a copy of the Form 706 and other tax filings related to MARJORIE T. CONNELL. Mr. Haina's information is as follows:

Corey Haina
Fast Tax
13917 Artesia Blvd
Cerritos, CA 90703
Direct Line: 714-496-5661

Fax Line: 206-333-0277
E-mail: fasttax4@gmail.com

INTERROGATORY NO. 10: Do you possess any estate planning documents for MARJORIE T. CONNELL including, but not limited to, copies and/or originals of THE MTC LIVING TRUST and any amendments or restatements thereof, and the Last Will and Testament of MARJORIE T. CONNELL dated December 6, 1995, any codicils thereto, and/or any prior and/or subsequent Last Will and Testament of MARJORIE T. CONNELL. If your answer is yes, for each item, state the following:

- a. The description, form, name, or other means of general identification;**
- b. The date on which it was made, prepared, or taken; and**
- c. The name, address and job title of each person who has possession of the original and/or a copy of it.**

RESPONSE TO INTERROGATORY NO. 10:

JACQUELINE MONTOYA possesses a copy of the restatement to the MTC Living Trust which is dated January 7, 2008. JACQUELINE MONTOYA possesses a copy of the Last Will and Testament of MARJORIE T. CONNELL which was executed on January 7, 2008.

The original version of the Last Will and Testament of MARJORIE T. CONNELL executed on January 7, 2008 was filed with the Clark County, Nevada District Court Clerk following MARJORIE T. CONNELL's passing by Attorney DAVID STRAUS and remains in their possession. It is believed that Attorney David Straus, of the Law Offices of David A. Straus, LLC, possesses a copy of the Last Will and Testament of MARJORIE T. CONNELL, together with a copy of the restatement to the MTC Living Trust dated January 7, 2008. Mr. Straus' address is as follows:

David Straus, Esq.
900 Rancho Lane
Las Vegas, Nevada 89106

INTERROGATORY NO. 11: Itemize by date received, description and amount any and all bequests, devises and distributions you and/or BOUVIER received from the MARJORIE T. CONNELL Estate.

RESPONSE TO INTERROGATORY NO. 11:

Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 11 is irrelevant to the subject matter of this matter, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. As such, JACQUELINE objects that such request seeks information irrelevant to this proceeding and seeks information beyond the scope of this matter.

Objection. Protected by Right of Privacy. The financial information of JACQUELINE MONTOYA and KATHRYN BOUVIER related to the Estate of MARJORIE T. CONNELL and what was received or not received from the Estate of MARJORIE T. CONNELL are protected by the right of privacy that JACQUELINE and KATHRYN have and as such this information is private and not discoverable.

INTERROGATORY NO. 12: Itemize by date received, description and amount any and all bequests, devises, and distributions you and/or BOUVIER received from THE MTC LIVING TRUST from the date of its creation to the present date.

RESPONSE TO INTERROGATORY NO. 12:

Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 12 is irrelevant to the subject matter of this matter, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. As such, JACQUELINE objects that such request seeks information irrelevant to this proceeding and seeks information beyond the scope of this matter.

Objection. Protected by Right of Privacy. The financial information of JACQUELINE MONTOYA and KATHRYN BOUVIER related to the MTC Living Trust and what was received or not received

1 from the MTC Living Trust are protected by the right of privacy that JACQUELINE and KATHRYN
2 have and as such this information is private and not discoverable.

3 **INTERROGATORY NO. 13: Itemize by date received, description and amount**
4 **any and all gifts and/or compensation you and/or BOUVIER received from**
5 **MARJORIE T. CONNELL from January 1, 1999 to the present date.**

6 **RESPONSE TO INTERROGATORY NO. 13:**

7
8 Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 13 is irrelevant to the subject
9 matter of this matter, and the information sought is not reasonably calculated to lead to the
10 discovery of admissible evidence. As such, JACQUELINE objects that such request seeks
11 information irrelevant to this proceeding and seeks information beyond the scope of this matter.

12
13 Objection. Protected by Right of Privacy. The financial information of JACQUELINE MONTOYA
14 and KATHRYN BOUVIER relating to gifts or compensation received from MARJORIE T.
15 CONNELL and what was received or not received from MARJORIE T. CONNELL are protected by
16 the right of privacy that JACQUELINE and KATHRYN have and as such this information is private
17 and not discoverable.

18
19 **INTERROGATORY NO. 14: Itemize by date received, description and amount**
20 **any and all loans you and/or BOUVIER received from MARJORIE T. CONNELL**
21 **and/or THE MTC LIVING TRUST from January 1, 1999 to date.**

22 **RESPONSE TO INTERROGATORY NO. 14:**

23 Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 14 is irrelevant to the subject
24 matter of this matter, and the information sought is not reasonably calculated to lead to the
25 discovery of admissible evidence. As such, JACQUELINE objects that such request seeks
26 information irrelevant to this proceeding and seeks information beyond the scope of this matter.

1 Objection. Protected by Right of Privacy. The financial information of JACQUELINE MONTOYA
2 and KATHRYN BOUVIER related to the MTC Living Trust and MARJORIE T. CONNELL and what
3 was received or not received from the MTC Living Trust and/or MARJORIE T. CONNELL are
4 protected by the right of privacy that JACQUELINE and KATHRYN have and as such this
5 information is private and not discoverable.

6
7 **INTERROGATORY NO. 15: Items by date received, description and amount any**
8 **and all trustee fees, reimbursement for expenses and compensation you have**
9 **received from THE MTC LIVING TRUST for acting as trustee of such trust.**

10 **RESPONSE TO INTERROGATORY NO. 15:**

11 Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 15 is irrelevant to the subject
12 matter of this matter, and the information sought is not reasonably calculated to lead to the
13 discovery of admissible evidence. As such, JACQUELINE objects that such request seeks
14 information irrelevant to this proceeding and seeks information beyond the scope of this matter.

15
16
17 Objection. Protected by Right of Privacy. The finances of JACQUELINE MONTOYA related to the
18 MTC Living Trust and what was received or not received are protected by the right of privacy that
19 JACQUELINE has and as such this information need not be produced.

20 **INTERROGATORY NO. 16: Itemize by date received, description and amount**
21 **any and all fees, reimbursement for expenses and compensation you have received**
22 **from the MARJORIE T. CONNELL Estate as personal representative of such Estate.**

23 **RESPONSE TO INTERROGATORY NO. 16:**

24 Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 16 is irrelevant to the subject
25 matter of this matter, and the information sought is not reasonably calculated to lead to the
26 discovery of admissible evidence. As such, JACQUELINE objects that such request seeks
27 information irrelevant to this proceeding and seeks information beyond the scope of this matter.
28

1 Objection. Protected by Right of Privacy. The finances of JACQUELINE MONTOYA related to the
2 the Estate of MARJORIE T. CONNELL and what was received or not received from the Estate of
3 MARJORIE T. CONNELL are protected by the right of privacy that JACQUELINE has and as such
4 this information need not be produced.

5 **INTERROGATORY NO. 17: Do you possess an accounting, including all receipts**
6 **and disbursements, and an inventory of assets held or otherwise owned by THE MTC**
7 **LIVING TRUST during the time period beginning on the date of MARJORIE T.**
8 **CONNELL's death to the present? If your answer is yes, for each item, state the**
9 **following:**

- 11 **a. Its description, form, name, or other means of general identification;**
12 **b. The date on which it was made, prepared, or taken; and**
13 **c. The name, address and job title of each person who has possession of**
14 **the original and/or a copy of it.**

15 **RESPONSE TO INTERROGATORY NO. 17:**

16 Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 17 is irrelevant to the subject
17 matter of this matter, and the information sought is not reasonably calculated to lead to the
18 discovery of admissible evidence. As such, JACQUELINE MONTOYA objects that such request
19 seeks information irrelevant to this proceeding and seeks information beyond the scope of this
20 matter.
21

22
23 Notwithstanding this Objection, Yes, JACQUELINE MONTOYA does possess an inventory of assets
24 belonging to the MTC Living Trust.
25

26
27 **INTERROGATORY NO. 18: What are the name(s), address(es), email**
28 **address(es), and phone number(s) of all persons and/or entities that prepared**

THE RUSHFORTH FIRM, LTD.
Telephone: 702-255-4552 / Fax: 702-255-4677
9505 Hillwood Drive, Suite 100
Las Vegas, Nevada 89134-0514

income tax returns for the W. N. CONNELL AND MARJORIE T. CONNELL LIVING TRUST dated May 18, 1972 and/or any sub-trust thereunder for the period of time beginning on the date of W. N. CONNELL's death to the present?

RESPONSE TO INTERROGATORY NO. 18:

Objection. Equally available. The information sought in this discovery request is equally available to the propounding party. Furthermore, JACQUELINE MONTOYA was neither a trustee of THE W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST, dated May 18, 1972, nor was she ever the executrix, or personal representative, for the Estate of W.N. Connell. Hence, JACQUELINE MONTOYA had no obligation for the preparation of tax returns related to THE W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST, dated May 18, 1972. Notwithstanding this Objection to Interrogatory No. 18, JACQUELINE MONTOYA is aware that for a period of time Corey Haina, CPA, prepared tax returns on behalf of THE W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST, dated May 18, 1972. Mr. Haina's information is as follows:

Corey Haina
Fast Tax
13917 Artesia Blvd
Cerritos, CA 90703
Direct Line: 714-496-5661
Fax Line: 206-333-0277
E-mail: fasttax4@gmail.com

It is further believed that Robert T. Ashworth, since his name is reflected on the closing letter from the Internal Revenue Service dated October 30, 1981, and Steven Scow prepared tax returns for the THE W. N. CONNELL and MARJORIE T. CONNELL LIVING TRUST, dated May 18, 1972 following the death of Mr. Connell. On information and belief, Robert T. Ashworth is deceased.

The contact information for Steven Scow is believed to be:

Steven R. Scow
612 S. 7th Street
Las Vegas, Nevada 89101

1 telephone: (702) 385-7269

2 As to the Texas Inheritance Return dated December 16, 1980, the preparer is clearly reflected on
3 the return and shown to be Darrell Knight of Darrel Knight Assoc., Inc.-PC.

4 On information and belief, Mr. Knight is deceased.

5 **INTERROGATORY NO. 19: What are the name(s), address(es), email**
6 **address(es), and phone number(s) of all persons and/or entities that prepared**
7 **income tax returns for THE MTC LIVING TRUST for the period of time beginning on**
8 **the date of MARJORIE T. CONNELL's death to the present?**

9
10 **RESPONSE TO INTERROGATORY NO. 19:**

11 Objection. Irrelevant. ELEANOR C. AHERN's Interrogatory No. 19 is irrelevant to the subject
12 matter of this matter, and the information sought is not reasonably calculated to lead to the
13 discovery of admissible evidence. As such, JACQUELINE objects that such request seeks
14 information irrelevant to this proceeding and seeks information beyond the scope of this matter.
15 The MTC LIVING TRUST's assets and their corresponding values are irrelevant to this proceeding.
16 As such, all financial information regarding the MTC LIVING TRUST is privileged information.
17 ELEANOR C. AHERN, as a specific cash gift beneficiary, received her bequest in 2009 and as such
18 her interest in the MTC LIVING TRUST terminated at such occurrence.
19

20 Notwithstanding this Objection to Interrogatory No. 19, Corey Haina, CPA, prepared tax returns
21 on behalf of the MTC Living Trust. Mr. Haina's information is as follows:

22 Corey Haina
23 Fast Tax
24 13917 Artesia Blvd
25 Cerritos, CA 90703
26 Direct Line: 714-496-5661
27 Fax Line: 206-333-0277
28 E-mail: fasttax4@gmail.com

INTERROGATORY NO. 20: What facts do you propose to rely upon in support of your allegations contained in the Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(1)(E), And NRS 164.033(1)(A)? Please describe each fact in detail, and please indicate the allegation for which each fact supports.

RESPONSE TO INTERROGATORY NO. 20:

JACQUELINE MONTOYA intends to rely on the fact that as reflected on the Texas Inheritance Tax Return—non-resident dated December 16, 1980 that there is a clear reflection contained within the schedules attached thereto, using numbers taken from the Form 706 prepared for W.N. CONNELL's estate, as seen by the references to the Form 706 schedules, that nearly 65% of the real property located in Upton County, Texas together with 65% of the oil, gas, and mineral rights were allocated to MARJORIE T. CONNELL as a marital bequest and in turn became a part of the Trust No. 3. Likewise, that return reflects that ELEANOR C. AHERN, referred to therein as ELEANOR M. CONNELL HARTMAN, was allocated approximately 35% of such real property and oil, gas, and mineral rights, which was an allocation to Trust No. 2.

Marjorie Connell exercised her power of appointment over Trust No. 3 in her Last Will and Testament executed on January 7, 2008.

"Section 4.01 Exercise of Power of Appointment Granted by William N. Connell In the W.N. Connell and Marjorie T. Connell Living Trust dated May 18, 1972, Article Fifth Trust No. 3 Paragraph B(2) of the Trust, I was granted a testamentary power of appointment. I hereby exercise that power of appointment and appoint the entire principal and the undistributed income in Trust No. 3, if any, on my death to JACQUELINE MONTOYA and KATHRYN ANNE BOUVIER to be distributed in trust in accordance with the provisions of the MTC LIVING TRUST dated December 6, 1995, as restated on January 7, 2008." Page 2 of Will

For approximately 33 years following the death of W.N. CONNELL, MARJORIE T. CONNELL received 65% of the income derived from oil, gas, and mineral leases related to the Upton County,

1 Texas property, then after her death, such income was allocated to her trust, the MTC Living Trust.
2 For the same 33 years, ELEANOR C. AHERN received approximately 35% of the income from oil,
3 gas, and mineral leases related to the Upton County, Texas property. Tax returns were filed for
4 each individual reflecting the income that they received.
5

6
7 Admission by ELEANOR C. AHERN that she received 35% of the income for 33 years:

8 *"When W.N. CONNELL passed away, MARJORIE T. CONNELL, as the surviving Trustor and*
9 *Trustee of the TRUST, began paying herself sixty-five percent (65%) of the Upton County, Texas*
10 *Oil right income. ELEANOR consulted an attorney and was advised that although ELEANOR was*
11 *entitled to all of the Upton County, Texas, Oil right income, if she asserted her rights to all of the*
12 *income against MARJORIE at that time it would in all likelihood result in MARJORIE*
13 *disinheriting ELEANOR when MARJORIE died. The advice essentially was to take less now so*
14 *you could inherit all of MARJORIE's estate later. Although ELEANOR knew that she (ELEANOR)*
15 *was entitled to one hundred (100%) of the Upton County, Texas, oil income, she consented to*
16 *MARJORIE receiving the sixty-five percent (65%). The advice of the attorney and ELEANOR's*
17 *love and respect for, and appreciation of, MARJORIE T. CONNELL, as her mother, lead to her*
18 *acquiescence."*

19
20 ELEANOR C. AHERN issued K-1s to JACQUELINE MONTOYA and KATHRYN BOUVIER as
21 beneficiaries of the MTC Living Trust following the passing of MARJORIE T. CONNELL.
22

23 VERIFICATION

24 STATE OF NEVADA)

25 COUNTY OF CLARK)

26 I declare under penalty of perjury of the laws of the State of Nevada that the foregoing is true and
27 correct.
28

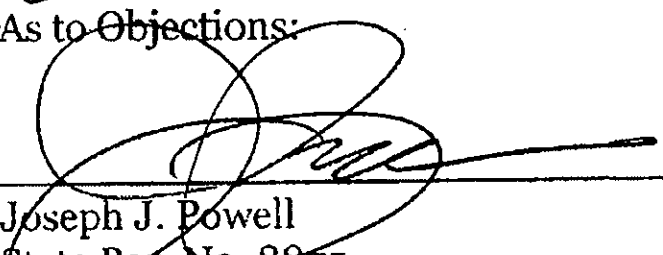
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Telephone: 702-255-4552 / Fax: 702-255-4677
9505 Hillwood Drive, Suite 100
Las Vegas, Nevada 89134-0514

1 JACQUELINE MONTOYA says that she has read the foregoing answers to interrogatories and
2 knows the contents thereof; and that the same is true to the best of her own knowledge, except as
3 to those matters therein stated to be to the best of her memory and recollection, which she believes
4 the same to be true and correct.

5
6 
JACQUELINE MONTOYA

5/5/2014
Date

7
8 As to Objections:

9
10 
Joseph J. Powell
State Bar. No. 8875
11 9505 Hillwood Drive, Suite 100
12 Las Vegas, NV 89134-0514

5/5/14
Date

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THE RUSHFORTH FIRM, LTD.
Telephone: 702-255-4552 / Fax: 702-255-4677
9505 Hillwood Drive, Suite 100
Las Vegas, Nevada 89134-0514

CERTIFICATE OF MAILING

I, the undersigned, hereby certify that on May 5, 2014, I sent a copy of the "Jacqueline M. Montoya's Responses to Eleanor C. Ahern's First Set of Interrogatories" to each person named below by first-class mail, addressed as follows:

John R. Mugan, Esq.
Michael D. Lum, Esq.
Burr, Ltd.
2600 Paseo Verde Parkway, Suite 200
Henderson, NV 89074

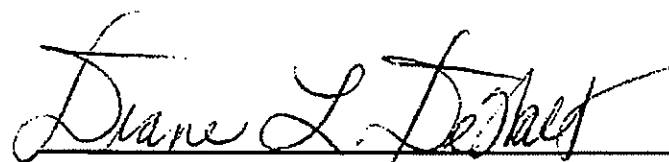

Diane L. DeWalt, an employee of
The Rushforth Firm, Ltd.

Exhibit 28

JAMES A. WALTON

P.O. Box 2514
Midland, TX 79702
Phone (432) 682-9336
Fax (432) 682-4929

January 30, 2013

Dear Ellie,

Please find enclosed a copy of the lease that Jacquie signed. When I pulled the file to get you a copy, I saw that was not correct. Obviously you need to execute the lease. I have enclosed a new lease for you to sign and return a copy to me. Sorry for the oversight. I don't remember the circumstances.

There is not anything new going on at the ranch. I think Apache is going to drill a well on Bob and Mozelle's surface soon. As always we need the rain. I hope all is going well for you. If you have any questions or need to contact me, call me on my cell 432-559-9956.

Thank you,


Jim

ECA236

The State of Texas,

County of UPTON

Enm All Men by These Presents

Made this 1st day of February, 2011, by and between
W.N. Connell and Marjorie T. Connell Living Trust, 3385 Maverick Street,
Las Vegas, NV 89108-4801

, known herein as LESSOR.

and

James A. Walton, 3902 Godfrey, Midland, Texas 79707

, known herein as LESSEE.

(The terms "Lessor" and "Lessee" shall be construed in the singular or plural number according as they respectively represent one or more than one person.)

WITNESSETH, That the said Lessor does by these presents Lease and Demise unto the said Lessee the following described property, to-wit: lying and being situated in the County of Upton, State of Texas, and being

All of Sections 47, 48, 38 and the West Half (W/2) of Section 37, Block 39, Township 5 South, Upton County, Texas, containing 2300 acres @ \$1.00 per acre.

for the term of Five (5) years beginning the 1st day of February 2011 and ending the 31st day of January 2016, paying therefor the sum of Eleven Thousand, Five Hundred (\$11,500.00) DOLLARS, payable at the rate of \$2,300.00 per year, in advance with the sum of \$2,300.00 being due and payable on or before the first day of February, 2011 and like payments due on or before the 1st day of February of each year thereafter until this lease is upon the conditions and covenants following: terminated.

First. That Lessee will well and PUNCTUALLY pay said rents in manner and form as hereinbefore specified, and quietly deliver up said premises on the day of the expiration of this lease, in as good condition as the same were in when received, reasonable wear and tear thereof excepted.

Second. That the said premises shall be used for grazing and ranch purposes only.

and for no other purpose.

Third. That Lessee will not sub-let said premises, or any part thereof, to any person or persons whatsoever, without the consent of said Lessor, IN WRITING, thereto first obtained.

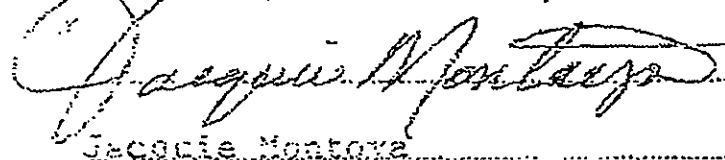
Fourth. That on failure to pay the rent in advance, as aforesaid, or to comply with any of the foregoing obligations, or in violation of any of the foregoing covenants, the Lessor may declare this lease forfeited at Lessor's discretion and Lessor or Lessor's agent or attorney shall have the power to enter and hold, occupy and repossess the entire premises hereinbefore described, as before the execution of these presents.

Fifth: Lessee agrees to maintain the windmills, fences, etc., during the term of this lease.

Sixth: It is further agreed between the parties aforesaid that any negotiations for damages caused by the exploration of oil, gas and other minerals shall be made by Lessor and Lessor further agrees to pay Lessee one-fourth (1/4) of all temporary surface damages caused by such explorations during the term of this lease.

Seventh: This grass lease does not interfere in any way with oil, gas or other mineral leases or for the exploration of same.

IN TESTIMONY WHEREOF, The parties to this agreement have hereunto set their hands in duplicate, the day and year above written.


Jacquie Montoya

LESSOR


James A. Walton

LESSEE

ECA237

661 - LEASE

The State of Texas, }
County of UPTON

Know All Men by These Presents:

Made this 1st day of February, 2011, by and between
Eleanor Marquerite Connell Hartman, Trustee, W.N. Connell & Marjorie T. Connell
Living Trust May 18, 1972, 8635 W. Sahara Ave. #549, Las Vegas, NV 89117-5858
, known herein as LESSOR,
and James A. Walton, 3902 Godfrey, Midland, TX 79707

, known herein as LESSEE,

(The terms "Lessor" and "Lessee" shall be construed in the singular or plural number according as they respectively represent one or more than one person.)

WITNESSETH, That the said Lessor does by these presents Lease and Demise unto the said Lessee the following described property, to-wit: Lying and being situated in the County of Upton, State of Texas, and being

All of Sections 47, 48, 38 and the West Half (W/2) of Section 37, Block 39, Township 5 South, Upton County, Texas, containing 2300 acres @ \$1.00 per acre.

for the term of Five (5) years beginning the 1st day of February 2011 and ending the 31st day of January 2016, paying therefor the sum of Eleven Thousand, Five Hundred (\$11,500.00) DOLLARS, payable at the rate of \$2,300.00 per year, in advance with the sum of \$2,300.00 being due and payable on or before the first day of February, 2011 and like payments due on or before the 1st day of February of each year thereafter until this lease is upon the conditions and covenants following: terminated.

First. That Lessee will well and PUNCTUALLY pay said rents in manner and form as hereinbefore specified, and quietly deliver up said premises on the day of the expiration of this lease, in as good condition as the same were in when received, reasonable wear and tear thereof excepted.

Second. That the said premises shall be used for grazing and ranch purposes only.

and for no other purpose.

Third. That Lessee will not sub-let said premises, or any part thereof, to any person or persons whatsoever, without the consent of said Lessor, IN WRITING, thereto first obtained.

Fourth. That on failure to pay the rent in advance, as aforesaid, or to comply with any of the foregoing obligations, or in violation of any of the foregoing covenants, the Lessor may declare this lease forfeited at Lessor's discretion and Lessor or Lessor's agent or attorney shall have the power to enter and hold, occupy and repossess the entire premises hereinbefore described, as before the execution of these presents.

Fifth: Lessee agrees to maintain the windmills, fences, etc., during the term of this lease.

Sixth: It is further agreed between the parties aforesaid that any negotiations for damages caused by the exploration of oil, gas and other minerals shall be made by Lessor and Lessor further agrees to pay Lessee one-fourth (1/4) of all temporary surface damages caused by such explorations during the term of this lease.

Seventh: This grass lease does not interfere in any way with oil, gas or other mineral leases or for the exploration of same.

IN TESTIMONY WHEREOF, The parties to this agreement have hereunto set their hands in duplicate, the day and year above written.

Eleanor Connell Hartman Trustee, LESSOR

James A. Walton, LESSEE

ECA238

TEXAS STANDARD FORM

Exhibit 29

JOHNSTON & ASSOCIATES, P.C.

JEFFREY M. JOHNSTON
Also licensed in New Mexico

Of Counsel:
STANLEY E. CRAWFORD, JR.
Board Certified in Civil Trial Law
MICHAEL A. SHORT

ATTORNEYS AT LAW
INDEPENDENCE PLAZA
400 WEST ILLINOIS, SUITE 1600
MIDLAND, TEXAS 79701
P. O. BOX 2890
MIDLAND, TEXAS 79702-2890
(432) 683-8844
(432) 683-8855 (Fax)

April 4, 2012

Via E-Mail [jacquiem@me.com]
& [2timjac@cox.net]

Ms. Eleanor C. Hartman, Individually and as Trustee
of the W.N. Connell and Majorie T. Connell
Living Trust under Trust Agreement dated May 18, 1972
P.O. Box 710
Las Vegas, Nevada 89125-0710
Attn: Ms. Jacqueline Montoya

**Re: Apache Corporation ("Apache") – Final Versions of Oil and Gas Leases and
Surface Use Agreement for Execution covering acreage in Upton County,
Texas.**

Dear Ms. Montoya:

Attached hereto in pdf format are the following documents that are to be executed for the closing with Apache:

- (1) Oil and Gas Lease dated April 4, 2012, from Eleanor C. Hartman, Individually and as Trustee of the W.N. Connell and Marjorie T. Connell Living Trust under Trust Agreement dated May 18, 1972 ("the Connell Living Trust"), as Lessor, to Apache, as Lessee, covering the westernmost acreage in this trade, including a tract situated in Section 48, Block 40, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (2) Oil and Gas Lease dated April 4, 2012, from the Connell Living Trust, as Lessor, to Apache, as Lessee, covering the "middle" group of tracts in this trade, including acreage in Sections 32, 40, 41, 44 and 45, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (3) Oil and Gas Lease dated April 4, 2012, from the Connell Living Trust, as Lessor, to Apache, as Lessee, covering the easternmost acreage in this trade, including tracts in Sections 38 and 48, Block 39, T-5-S, T&P Ry. Co. Survey, Upton

Ms. Jacqueline Montoya
April 4, 2012
Page 2

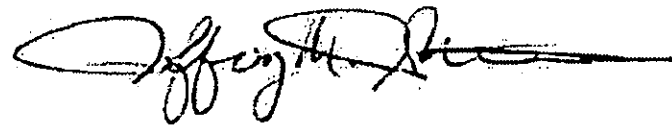
County, Texas.

- (4) Surface Use Agreement dated April 4, 2012, between the Connell Living Trust and Apache covering the surface acreage associated with the tracts of land covered by the oil and gas lease listed above as item (3).

Please have each of these instruments printed out, executed and, where necessary, notarized. Please have the executed instruments overnighted back to this office for 10:00 a.m. delivery.

If you have any questions concerning the documents, please contact me.

Very truly yours,



Jeffrey M. Johnston

JMJ/tcm
enclosures

Exhibit 30

OIL AND GAS LEASE

STATE OF TEXAS
COUNTY OF UPTON

§
§
§

THIS AGREEMENT, made and entered into as of the 4th day of April, 2012, by and between the undersigned party or parties designated as Lessor on the signature page of this Lease (such party or parties hereinafter called "Lessor") and the undersigned party or parties designated as Lessee on the signature page of this Lease (such party or parties hereinafter called "Lessee").

1. **Definitions.** As used in this Lease, the following words and phrases shall have the meaning set forth below:

A. "commence a well", "commencement of a well", "commence actual drilling operations", "commencement of actual drilling operations", "actual drilling" or "actual drilling of a well" shall be deemed to occur at such time as there has been erected on the leased premises at the location for the well, a derrick, a rig and machinery capable of drilling to the base of the objective formation, the well has been "spudded-in" and the machinery for drilling is rotating under power.

B. "completion" or "completion of a well" shall be deemed to occur on (i) the date which is ninety (90) days after the production casing and/or liner has been run in the hole, (ii) the date which is ninety (90) days after total depth of the well in question has been reached, or (iii) the date indicated in the completion report for the well which is filed with the Railroad Commission, whichever is the earliest date.

C. The date of abandonment of a dry hole is the date indicated on the Texas Railroad Commission plugging report for the well or thirty (30) days after total depth is reached, whichever is the earlier date.

D. "production", "producing", "production in paying quantities", "commercial production", "production in commercial quantities", "producing in paying quantities" and "producing in commercial quantities" shall have the same meaning for purposes of this Lease, namely production in quantities sufficient to yield a return to the holders of the working interest excluding severance taxes, in excess of operating expenses, royalties and expenses of equipment beyond the wellhead and costs including depreciation of assets ("depreciation of assets" shall be the actual loss of fair market value of salvable equipment on the leased premises during the relevant period), even though drilling costs may never be recouped by working interest owners. The review period for purposes of determining whether production is in paying or commercial quantities shall be one hundred twenty (120) consecutive days. There shall be no review period when production ceases. Production in less than paying or commercial quantities shall never be considered as production for purposes of this Lease.

E. "operations for reworking", "reworking operations", "commencement of reworking operations", "commence reworking operations", "commence reworking operations" and "actual reworking operations" shall have the same meaning being the actual re-entry into an existing wellbore with a drilling or workover rig capable of re-entering and reworking such well and the timely prosecution of such actual reworking operations in good faith and with reasonable diligence and without cessation of more than sixty (60) days, toward the re-establishment of commercial production of oil or gas from such previously producing zone or zones.

F. "Producing Unit" means the following:

(i) With respect to vertical wells:

[a] A tract of land designated in writing by Lessee, as provided in this Lease,

containing no more than 80 acres on which Lessee has drilled and completed an oil well pursuant to the terms of this Lease and which is producing in paying quantities (provided that if the field rules of the Texas Railroad Commission applicable to wells which are completed in each of the Wolfcamp, Dean and Spraberry formations are modified or amended after the date of this Lease to provide that the standard proration unit for such wells shall be 40 acres, then and in that event, each Producing Unit for oil wells drilled by Lessee after the effective date of such modification or amendment of the applicable field rules shall contain no more than 40 acres, plus a tolerance of ten percent);

[b] A tract of land designated in writing by Lessee as provided in this Lease containing no more than 320 acres on which Lessee has drilled a gas well pursuant to the terms of this Lease and which is producing in paying quantities.

(ii) With respect to horizontal wells:

[a] As to horizontal wells, which are not drilled or produced pursuant to a pooled unit created under the terms of this Lease, a tract of land designated in writing by Lessee containing no more than the lesser of:

[I] Forty (40) acres plus the minimum additional acreage allowed for horizontal drain holes, as set forth in Rule 86 of the Texas Railroad Commission utilizing the Additional Acreage Assignment Table of Rule 86 for fields with a density rule of forty (40) acres or less, as set forth in Section 3.86, Chapter 3, Part 1, Title 16, of the Texas Administrative Code; or

[II] 320 acres.

[b] As to horizontal wells which are located within a valid pooled unit created under the terms of this Lease, the Producing Unit for purposes of this Lease shall be the portion of the leased premises comprising a part of such pooled unit.

A Producing Unit, whether for a vertical well or for a horizontal well, shall include only those depths and horizons from one hundred feet (100') above the top of the shallowest formation producing in the well for such Producing Unit down to one hundred feet (100') below the base of the deepest producing formation in such well.

G. "Surface Owner" shall mean the record owner of the fee interest in the surface estate of the tract of land described in Section 2 of this Lease.

H. "Disposition" shall mean when used in reference to Lessee's handling of production; the transaction, place and point in time whereby Lessee and its Affiliates finally and fully relinquish any beneficial ownership, rights or enjoyment of any substance produced under the terms of this Lease.

I. "Affiliate" or "affiliate" as used herein means and shall include each and every one of the following:

- (i) each individual, corporation, joint venture, trust, estate, partnership, limited liability company or other entity that owns or controls more than one percent (1%) of the outstanding voting securities or interest of Lessee; and
- (ii) each corporation, joint venture, trust, partnership, limited liability company or other entity in which Lessee or any current or past officer or director of Lessee owns or controls more than one percent (1%) of the outstanding voting

securities or interest.

2. **Grant of Interest/Description.**

A. Lessor, in consideration of a cash bonus in hand paid, of the royalties herein provided, and of the agreements of Lessee hereinafter contained, hereby grants, leases, and lets unto Lessee for the sole purpose of exploring for, drilling, operating, and producing oil and/or gas and of laying pipelines, temporarily storing oil, building one or more tank batteries, power lines, and roads thereon necessary to produce, save, care for, treat and transport the oil and/or gas produced from the land leased hereunder, the following described land situated in Upton County, Texas, (sometimes referred to hereinafter as the "leased premises") to wit:

Tract A: NE/4 of Section 38, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract B: All depths from the surface down to a depth of 7100 feet below the surface and all depths lying below a depth of 8500 feet below the surface in the NW/4 and the S/2 of Section 38, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract C: All depths lying below a depth of 9000 feet below the surface in Section 48, Block 39, T-5-S, T&P Ry. Co. Survey.

B. This Lease is made subject to any and all easements, rights of way and other encumbrances burdening any part of the leased premises as shown of record in Upton County, Texas or apparent from a reasonable inspection of the leased premises.

C. By this Lease, Lessee acquires no right to construct, operate or maintain any treating or processing plant, dwelling house, lease house, camp, pipe yard, equipment yard, warehouse or similar structure on the leased premises and acquires no easement, express or implied, with respect to any land other than the leased premises.

D. Lessee specifically covenants and agrees that with respect to its performance of obligations (both express and implied) and exercise of rights and privileges arising under this Lease that Lessee shall conduct itself with respect to Lessor and the Surface Owners with the utmost good faith and fair dealing. Lessee further covenants and agrees to comply with all applicable local, state and federal laws, rules, and regulations.

3. **Term.** Subject to the provisions contained herein, this Lease shall be for a term of three (3) years from this date (called "primary term"), and for so long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises.

4. **Surface Use Agreement.** Lessee's rights to utilize the surface estate in the leased premises as elsewhere described in this Oil and Gas Lease are expressly made subject to that certain Surface Use Agreement dated April 4, 2012, entered into by and between Eleanor C. Hartman, as Trustee of the W. N. Connell and Marjorie T. Connell Living Trust under Trust Agreement dated May 18, 1972, as Owner, and Apache Corporation, as Operator. It is understood and agreed that the execution and delivery of this Oil and Gas Lease is made conditional upon the execution and delivery of the Surface Use Agreement.

5. **Reservations.** There is EXCEPTED from this Lease and Lessor RESERVES unto Lessor and Lessor's heirs, successors, administrators and assigns:

A. all minerals ~~except~~ oil, gas and other liquid and gaseous substances and sulphur that are necessarily produced with such oil or gas;

B. equal and concurrent rights of occupancy, use and possession of the surface estate by

(1) Lessor, (2) the Surface Owner and (3) Lessor's or the Surface Owner's other mineral, surface, grazing, agricultural and recreational lessees or assignees, together with the right of ingress to and egress from the leased premises for all purposes including exploring, developing and operating said leased premises for oil, gas and other minerals of whatever nature which are not covered by this Lease or which may hereafter be released from this Lease and, the sole and exclusive right, as between Lessor and Lessee, to complete water source wells on the leased premises and in any reservoir not productive of oil or gas for the purpose of obtaining water for domestic and agricultural use and consumption and for the exploration, development and operation of Lessor's reserved rights; provided, however, Lessor and Surface Owner agree not to use the surface of the premises affected hereby in any manner that will interfere unduly with any of Lessee's rights in exploring, developing, producing, transporting, and marketing oil, gas and other hydrocarbons under leased premises. As between mineral, surface, and agricultural lessees, access to the surface shall be based on the principle of first-in-time, first-in-right, but as between Lessee herein and subsequent mineral lessees, the leasehold estate created by this Lease shall be considered dominant;

C. all rights granted to Lessee in this Lease shall be limited to the leased premises and depths described and covered by this Lease together with such ingress to and egress from leased premises as designated by Lessor and shall not extend to and Lessor expressly reserves all rights, privileges and usage which relate to land not described herein or which may be released herefrom. It is understood and agreed that to the extent Lessee establishes roads, flowlines, pipelines or power lines across the leased premises in accordance with the terms and provisions of the Surface Use Agreement to service its operations on any of the following described tracts of land (the "Jointly Operated Acreage"), prior to any partial or total termination of this Lease, then and in that event, Lessee may nevertheless continue to use such established roads, flowlines, pipelines and power lines as originally configured for as long as any of the existing oil and gas leases (including this Lease and any oil and gas leases executed by Lessor to Lessee within (30) days from and after the date of this Lease) covering any portion of the Jointly Operated Acreage remains in force and effect; provided however it is expressly understood and agreed that Lessee's limited right to use the surface estate of the leased premises for roads, flowlines, pipelines and power lines across the leased premises for the benefit of Lessee's other leasehold operations on the Jointly Operated Acreage shall never be extended or construed to extend or be utilized by Lessee for the use or benefit of or as a convenience to Lessee in operating on lands not within the Jointly Operated Acreage, regardless of whether such lands not included within the Jointly Operated Acreage are owned by Lessor or any one or more of the Surface Owner or third parties:

(i) Section 38, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.

(ii) Section 48, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.

6. Partial Termination; Continuous Development; Retained Acreage and Depths.

A. At the later to occur of the following: (i) the expiration of the primary term of this Lease, or (ii) the conclusion of the Lessee's continuous development program undertaken and prosecuted in accordance with the provisions of this Lease; this Lease shall terminate as to all of the leased premises not theretofore released, save and except the acreage and depths included in the Producing Unit(s) established by Lessee.

B. Each Producing Unit shall be in the form of a square or rectangle as nearly as is practicable with the well at a legal location on such Producing Unit and as nearly as possible in the center of such Producing Unit.

C. Lessee shall designate each Producing Unit in recordable form with such designation containing a metes and bounds description or other sufficient legal description of the Producing Unit's exterior boundaries and relevant depth limitations. Lessee shall place each designation of a Producing Unit of record in Upton County, Texas within sixty (60) days after the completion of the well for such Producing Unit and promptly provide to Lessor a certified copy of such recorded designation of Producing Unit; provided, however that during the existence (if any) of Lessee's continuous development program, Lessee may defer filing such designations until the continuous development program has been concluded at which time Lessee may file a single instrument which

identifies and designates each Producing Unit situated on the leased premises.

D. Lessee shall, within sixty (60) days after termination of this Lease, as to any part of the leased premises, execute and furnish to Lessor a recordable release describing the acreage and/or depths as to which this Lease has terminated.

E. Subject to the provisions of Section 6.G. below, if at the expiration of the primary term of this Lease, Lessee is then engaged in drilling a well on the leased premises or if Lessee has completed a well as a commercial producer on the leased premises and such well is then still producing in paying quantities upon the expiration of the primary term of this Lease, Lessee shall have the right and option (but not obligation) to engage in a continuous development program on the leased premises by conducting a program of continuous drilling of new wells on the leased premises allowing no more than one hundred eighty (180) days to elapse between (i) the completion of one well as a well producing in paying quantities or as a dry hole, and (ii) the commencement of actual drilling operations on the next succeeding well. If a continuous development program is undertaken by the Lessee it shall be deemed to have been concluded on the earlier to occur of the following: (x) at such time as Lessee allows more than one hundred eighty (180) days to pass from the most recent completion of a new well on the leased premises without having commenced actual drilling operations on another new well; or (y) upon the date which is the tenth (10th) anniversary of the date on which the primary term of this Lease expired. It is understood and agreed that commencement of reworking operations or drilling, side tracking or deepening operations on a well previously completed pursuant to this Lease shall not constitute "commencement of actual drilling on the next succeeding well" so as to constitute continuous development.

F. If after the expiration of the primary term of this Lease or the conclusion of Lessee's continuous development program, whichever occurs later, any Producing Unit shall cease to produce in paying quantities this Lease shall terminate as to such Producing Unit unless Lessee, within sixty (60) days after such cessation of production in paying quantities, commences reworking operations or commences actual drilling operations and thereafter diligently prosecutes the same or different reworking or actual drilling operations on such Producing Unit with no cessation of more than thirty (30) days until production in paying quantities is restored.

G. Notwithstanding anything herein to the contrary, on the date which is the tenth (10th) anniversary of the date on which the primary term of this Lease expires, this Lease shall terminate as to all acreage not then located within a Producing Unit.

H. Although this Lease may have terminated in part or may have been partially released, Lessee shall have and retain easements over and across the terminated portion or portions of the surface of the leased premises as shall be reasonably necessary for ingress and egress so as to enable Lessee to develop and operate the portion or portions of the leased premises as to which this Lease continues in effect and Lessee shall not be required to relocate any pipelines or roads solely because of the partial termination or partial release of this Lease.

7. Royalties. As royalty, Lessee covenants and agrees:

A. **Oil.** To deliver free of cost to Lessor at the location of the disposition of Lessee's oil and liquid hydrocarbons or to the credit of Lessor at the pipelines to which the wells may be connected, one-fourth (1/4) of all oil and other liquid hydrocarbons (recovered or separated on the leased premises) produced and saved from the leased premises; or, at the Lessor's option, which may be exercised from time to time, Lessee shall pay to Lessor the same percentage of the market value at the point of Lessee's disposition of its oil and liquid hydrocarbons for such oil and other liquid hydrocarbons of like grade and gravity prevailing in the area on the day such oil and other hydrocarbons are run; provided, however, there shall be no deduction from the value of Lessor's royalty by reason of any processing, treatment, trucking, transportation or other cost to market such oil and other liquid hydrocarbons. If Lessee or any Affiliate of Lessee engages in any "downstream marketing" of oil or other liquid hydrocarbons, from the leased premises, including receiving payments for aggregating such substances with oil or liquid hydrocarbons produced from other tracts of land, then and in that event, Lessee shall fully disclose any such contractual or other marketing arrangements and shall include in its payment of royalties on oil the share of the payments or value

of any other consideration received in connection with or for such arrangements on the basis that the production from and attributable to this lease bears to the total volume of production the disposition for which Lessee or any of its Affiliates received any "bonuses", "marketing fees", "aggregation fees" or the like.

B. Gas. To pay the Lessor:

(i) On gas produced from the leased premises which is processed in a processing plant in which Lessee or any parent, subsidiary or affiliate of Lessee has a direct or indirect interest, Lessor shall receive the higher of (a) one-fourth (1/4) of the market value of such gas at the inlet to the processing plant, or (b) one-fourth (1/4) of the market value of all processed liquids saved from said gas at the point of disposition for Lessee's share of processed liquids, plus one-fourth (1/4) of the market value of all residue gas at the point of sale, use or other disposition.

(ii) On gas produced from the leased premises, which is processed in facilities other than a processing plant in which Lessee or any parent, subsidiary or affiliate of Lessee has a direct or indirect interest, Lessor shall receive one-fourth (1/4) of the market value at the point of disposition of Lessee's liquids of all processed liquids credited to the account of Lessee and attributable to such gas, plus one-fourth (1/4) of the market value of all residue gas at the point of sale, use or other disposition.

(iii) On all gas produced from the leased premises, and sold by Lessee or used on or off the leased premises, and to which the preceding subparagraphs (i) and (ii) above do not apply, Lessor shall receive one-fourth (1/4) of the market value at the point of use or other disposition of all such gas.

C. The market value of all gas shall be determined at the specified location and by reference to the gross heating value (measured in British thermal units) and quality of the gas. The market value used in the calculation of all royalty under this Lease shall never be less than the total proceeds received by Lessee in connection with the sale, use or other disposition of oil or gas produced or sold from the leased premises. If Lessee receives from a purchaser of oil or gas any reimbursement for all or any part of severance or production taxes, the proportionate part of such reimbursement amount shall be added to the total proceeds received by Lessee for purposes of this subsection. If Lessee realizes proceeds of production after deduction of any expenses of production, gathering, dehydration, separation, compression, transportation, treatment, processing, storage or marketing, then the proportionate part of such deductions shall be added to the total proceeds received by Lessee for purposes of this Section 7.C.

D. Notwithstanding anything to the contrary, Lessor's royalty shall never bear, either directly or indirectly, any part of the costs or expenses of production, separation, gathering, dehydration, compression, transportation, trucking, processing, treatment, storage or marketing of the oil or gas produced from the leased premises, nor any part of the costs of construction, operation or depreciation of any plant or other facilities or equipment used in the handling of oil or gas produced from the leased premises. Royalty shall be payable on oil, gas and other products produced from the leased premises and consumed by Lessee on the leased premises, whether for compression, dehydration, fuel or other uses. It is understood and agreed that as to gas volumes produced from the leased premises which are reinjected by Lessee into a producing formation in the leased premises for the purpose of pressure maintenance or re-pressuring such formation with Lessee having the good faith belief that such re-injection will result in the enhancement of the overall recovery of royalty-bearing hydrocarbons from this Lease, then and in that event Lessee shall not be required to pay royalties on such re-injected gas volumes.

E. If the gas produced from the leased premises is sold by Lessee pursuant to an arms-length contract with a purchaser which is not an affiliate of Lessee, and the contract provides for (i) net proceeds to be paid to Lessee which equal or exceed the market value of the gas at the point of delivery to such purchaser at the time such contract is entered into, and (ii) a term no longer than that which is usual and customary in the industry at the time the contract is made and such contract provides for redetermination of price to reflect increases in the market value of natural gas not less frequently than annually, then the market value of the gas sold pursuant to such contract shall be the

total proceeds received by Lessee in such sale, subject to the provisions of Section 7.C. and 7.D. above.

8. Payment of Royalties. With respect to each well on the leased premises, initial royalty payments for oil and/or gas shall be made on or before the end of the fourth (4th) calendar month following the month of first production. Thereafter, all royalties which are required to be paid hereunder to Lessor shall be due and payable in the following manner: Royalty on oil shall be due and payable on or before the fifth (5th) day of the second (2nd) calendar month following the month production is sold, and royalty on gas shall be due and payable on or before the fifteenth (15th) of the third (3rd) calendar month following the month of production. Each royalty payment shall be accompanied by a check stub, schedule, summary or remittance advice identifying the Lease and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas. A copy of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts shall be delivered to Lessor within thirty (30) days after entering into or making such contracts, agreements or amendments. The books, accounts and all other records pertaining to production, transportation, sale and marketing of oil or gas from the leased premises shall at any time during normal business hours be subject to inspection and examination by Lessor. If payments to be made by Lessee to Lessor are not made when due for whatever reason, the unpaid portion shall bear interest at the lower of Twelve Percent per annum (12%) or the highest rate allowed by law. If Lessee is in default hereunder and this matter is turned over to an attorney for collection, or is collected by suit, Lessee agrees to pay all reasonable attorney's fees and litigation expenses incurred by Lessor. Payments may be remitted to Lessor annually for the aggregate of up to twelve (12) months' accumulation of proceeds if the total amount owed is \$25.00 or less.

9. Limitation of Oil and Gas. This Lease is intended to cover only oil and gas, but some other substances (including helium and sulphur) may be produced necessarily with and incidental to the production of oil or gas from the leased premises; and, in such event, this Lease shall also cover all such other substances so produced. On all such substances produced under and by virtue of the terms of this Lease, Lessor shall receive a royalty of one-fourth (1/4) of all such substances so produced and saved, same to be delivered to Lessor, free of all costs; or, at Lessor's election, Lessor's one-fourth (1/4) of such substances shall be sold by Lessee with Lessee's portion of such substances and at the same price realized by Lessee in its disposition of its portion of such substances.

10. Gas Contracts: Contracts for Sale or Other Disposition of Production.

A. Each and every contract or agreement entered into by Lessee for or relating to the sale, processing or other disposition of production from or attributable to this Lease shall contain provisions sufficient to accommodate the Lessor's full exercise of its rights and privileges with respect to its royalty share of production including, but not limited to, those set forth in Section 12 of this Lease.

B. In the event Lessee enters into a contract for the sale of gas produced from or attributable to this Lease (including the Lessor's royalty share of gas) which contract contains what is commonly referred to as a "take or pay provision" (such provision meaning that the gas purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a specified price or to make minimum periodic payments to the producer for gas not taken by purchaser) and the purchaser under such gas purchase contract makes payments to Lessee by virtue of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to one-fourth (1/4) of all sums paid to producer under the provisions of such contract. Such royalty payments shall be due and owing to Lessor within sixty (60) days after Lessee's receipt of such payments from its purchaser. Any royalty payments made to Lessor under the "pay" obligation of any "take or pay" gas contract shall be applied as a credit toward Lessee's minimum royalty obligation. If the gas purchaser which has made any such "take or pay" payments to Lessee is entitled to and does "make-up" volumes of gas within the recoupment period called for in the gas contract and Lessee is required to give such purchaser a credit for those volumes of gas previously paid for but not taken, then Lessor shall not be entitled to royalty on such "make-up" gas, except to the extent necessary for Lessor to receive its full royalty share of the market value of such gas in accordance with Section 7.

C. To the extent Lessor's royalty share of oil, gas, natural gas liquids or any other substance produced and saved from the leased premises is covered or included by Lessee in any contract for the sale, processing or other disposition of production from or attributable to this Lease, Lessor shall be an intended third-party beneficiary of any such contract regardless of any provision of such contract(s) to the contrary. Further, Lessor shall be entitled to one-fourth (1/4) of the value of any benefits obtained by or granted to Lessee in connection with the Lessee's execution, amendment, modification, extension, cancellation, waiver, or settlement of any such contract.

11. Separation of Liquids. All gas produced from the leased premises shall, before the same is sold or used for any purpose or is transported from the leased premises be passed through a mechanical separator system situated on the leased premises designed and operated to effect the maximum economical recovery of liquid hydrocarbons therefrom. All condensate, distillate, natural gasoline, kerosene and all other liquid hydrocarbons and mixtures thereof produced with gas from the leased premises and separated from such shall be considered oil for all purposes of Section 7.A. above.

12. Right to Take Production in Kind. Lessor shall always have the right, at any time and from time to time, upon reasonable written notice to Lessee, to take Lessor's share of oil, gas and processed liquids in kind. Lessor may elect to take Lessor's gas in kind at the well, or at the point of delivery where Lessee delivers Lessee's gas to any third party. If gas is processed, Lessor may elect to take Lessor's share of residue gas attributable to production from the leased premises, at the same point of delivery where Lessee receives its share of residue gas or has its share of residue gas delivered to a third party. Lessor may elect to have its royalty share of processed liquids stored in tanks at the plant or delivered into pipelines on the same basis as Lessee's share of liquids is stored or delivered. Lessor shall reimburse Lessee for all reasonable costs incurred by Lessee in operating or maintaining additional facilities necessary for Lessor's royalty gas and processed liquids to be separately metered, accounted for, and delivered to a third party, but Lessor shall not be charged for any expense in the production, gathering, dehydration, separation, compression, transportation, treatment, processing or storage of Lessor's share of gas and processed liquids along with Lessee's share of gas and processed liquids.

13. Shut-in Gas Well Payments. If after the expiration of the primary term there is a gas well on the leased premises capable of producing in paying quantities but the production thereof is shut-in, shut-down or suspended for lack of a market, available pipelines, or because of government restrictions or, if it is economically inadvisable for both the Lessor and Lessee to sell gas for a time as evidenced by a written agreement signed by both parties, then, and in any such event, Lessee may pay as shut-in royalty on or before sixty (60) days after the date on which (a) production from any such well is shut-in, shut-down or suspended; or (b) this Lease is no longer maintained by compliance with one of the other preservation provisions hereof, whichever is the later date and thereafter at annual intervals the sum of Twenty Five Dollars (\$25.00) per net mineral acre per Producing Unit per well, or Five Hundred Dollars (\$500.00) per well which ever is greater, for each and every shut-in, shut-down or suspended well. If such payment is made in accordance with the terms hereof, this Lease shall not terminate, but shall continue in force for a period of one (1) year from the date of making such shut-in payment (subject to the exceptions set out hereafter) and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this Lease. Provided, however, in no event shall shut-in well payments maintain this Lease in force for any single period exceeding two (2) years nor shall Lessee be entitled to utilize shut-in gas well payments to maintain any part of this Lease if this Lease has theretofore been maintained in whole or in part by the payment of shut-in gas well payments for a cumulative length of time exceeding four (4) years. Any shut-in royalty payment shall not be a credit against production nor be credited with prior production royalty. In the event that production is begun or resumed during the year following the payment of a shut-in royalty payment and is subsequently shut-in, during such year the second annual shut-in payment shall be due and payable on the anniversary date of the first payment. If there is production on such first anniversary date and the well is subsequently shut-in, shut-down or suspended, then the second shut-in payment shall be made on or before sixty (60) days after such new shut-in date or the Lease shall terminate. Notwithstanding anything to the contrary set out above, a proper shut-in gas well payment will maintain the rights granted by this Lease only to the Producing Unit(s) of such gas well(s) as if they were producing gas in paying quantities pursuant to Section 2 above. Should such shut-in gas well payments not be made

in a timely manner as provided for above, then, in that event, it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by another preservation provision hereof, this Lease shall terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to the Producing Units containing a shut-in gas well.

14. Pooling.

Vertical Wells. Unless Lessee obtains the prior written consent of Lessor, Lessee shall have no authority under this Lease to pool all or any portion of the leased premises with other acreage, tracts, interests or leases for the purposes of drilling or producing from a vertical well.

Horizontal Wells. Lessee, at its option, is granted the right and power to pool or combine Lessor's interest in the leased premises, or any portion thereof, as to oil and gas, or either of them, with other contiguous land, lease or leases, to form a pooled unit for a horizontal well, when in Lessee's judgment it is necessary or advisable to do so in order to properly explore, develop and operate the leased premises in compliance with the spacing and density rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of the oil and/or gas in and under and that may be produced from the portion of the leased premises to be included in such a pooled unit for a horizontal well.

A pooled unit created for a horizontal well under this Lease may contain no more than the lesser of:

- (a) Forty (40) acres plus the minimum additional acreage allowed for horizontal drain holes, as set forth in Rule 86 of the Texas Railroad Commission utilizing the Additional Acreage Assignment Table of Rule 86 for fields with a density rule of forty (40) acres or less, as set forth in Section 3.86, Chapter 3, Part 1, Title 16, of the Texas Administrative Code; or
- (b) 320 acres.

Lessee shall execute in writing an instrument identifying and describing the pooled acreage, the leases and interests so pooled, the zones, substances, formations and depths covered by the pooled unit and record such instrument in the county or counties in which the pooled land is situated. The pooled unit shall be effective on the date such instrument is filed of record. A copy of such recorded instrument, and all amendments thereof, shall be furnished to Lessor within thirty (30) days from and after the respective effective date of such instrument(s).

Production from or drilling or reworking operations on any horizontal well on such pooled unit shall be treated as production from or drilling or reworking operations on the portion of the leased premises included in such pooled unit, provided, however, notwithstanding anything else in this Lease to the contrary, production from or drilling or reworking operations on any pooled unit established hereunder shall not be treated as or constitute production from, or drilling or reworking operations on any portion of the leased premises not included within such pooled unit. This Lease may be continued in force and effect as to portions of the leased premises not included in a pooled unit only as provided elsewhere in this Oil and Gas Lease.

Unless otherwise stated herein, there shall be allocated to this Oil and Gas Lease the proportion of the total production from the pooled unit that the number of surface acres covered by this Oil and Gas Lease and included in the pooled unit bears to the total number of surface acres in such pooled unit; and royalties shall be paid hereunder only upon that portion of total pooled unit production so allocated.

Any pooled unit designated by Lessee in accordance with the provisions of this Lease shall automatically terminate upon the completion of a dry hole on the pooled unit or upon the cessation of production in commercial quantities from said pooled unit unless Lessee commences additional operations or restores production on the pooled unit within the applicable time period required for

operations provided in Section 6.F. of this Lease. Lessee may dissolve a pooled unit designated in accordance with this Lease at any time after the completion of a dry hole or cessation of production in commercial quantities from such pooled unit.

15. Assignability. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof extend to the heirs, executors, administrators, successors and assigns of the parties hereto; provided, however, that any such assignment by Lessee shall require the prior written consent of Lessor, provided further, however that such consent shall not be unreasonably withheld. Lessor's consent to any assignment shall not constitute consent to any other assignment. Lessee shall furnish Lessor a copy of any assignment made pursuant to this section, with the recording data reflected thereon (if recorded). Assignment of this Lease or any part thereof shall not relieve Lessee, its assignees, or any subassignees of any obligations hereunder, theretofore accrued or to accrue in the future; and any assignee of Lessee shall, by acceptance of such assignment, be bound by all terms and provisions hereof. The term "assignment" as used herein, shall include, without limitation, any sublease, farmout, or any other agreement by which any share of the operating rights granted by this Lease are assigned or conveyed, or agreed to be assigned or conveyed, to any other party.

No change or division in ownership of the leased premises, rentals or royalties however accomplished shall operate to enlarge the obligations or diminish the rights of Lessee, nor shall any such change or division be binding upon Lessee for any purpose until the person acquiring any interest has furnished Lessee with a true and correct copy of the instrument or instruments constituting his chain of title from Lessor.

16. Duty to Develop. The drilling of a well or wells within the broad language of this Lease shall not be construed as an agreement or construction on the part of Lessor that such drilling would constitute reasonable development of the leased premises, or such portion or portions thereof as may be in force from time to time, as may be necessary to reasonably explore and develop the same for the production of oil and gas. In the event a well or wells producing oil or gas should be brought in on adjacent land and draining the leased premises, Lessee agrees to drill such offset wells as a reasonable prudent operator would drill under the same or similar circumstances. If oil and/or gas are discovered on the land covered by this Lease, Lessee agrees to further develop said land covered by this Lease as a reasonable prudent operator would under the same or similar circumstances.

17. Surface Damages and Restoration. Lessee's obligations with respect to its use of the surface estate in the leased premises is governed by that certain Surface Use Agreement between Lessee and the Surface Owner of even date herewith which is incorporated herein by reference for all purposes.

18. Water. Lessee's rights and interests to utilize potable ground water from the acreage covered by this Lease shall be restricted to those rights and interests more fully described in the Surface Use Agreement; otherwise by this Lease, Lessee does not (expressly or by implication or by operation of law) acquire any title to or right to use for any purpose, any water located in, on or under the leased premises.

19. Division Orders. Division orders or transfer orders, if executed, shall be solely for the convenience of the parties for the purpose of confirming the extent of Lessor's interest in production of oil and gas from the leased premises. No term or provision of this Lease shall be altered, amended, extended or ratified by any division order or transfer order. Any amendment, alteration, extension or ratification of this Lease or of any term or provision of this Lease shall be made by an instrument in writing clearly denominated as to its purpose and effect, describing the specific terms or provisions of the Lease affected and the proposed change or modification, and executed by the party against whom the amendment, alteration, extension, or ratification is to be enforced, any amendment, alteration, extension or ratification not so drafted and executed shall be of no force or effect.

20. Information Requirements.

A. Lessee shall furnish to the designated representative of Lessor (such representative initially designated to be Jacqueline Montoya of Las Vegas, Nevada, at or within the times indicated, a true and correct copy of each of the following:

(i) Any contract under which gas is sold or processed and any amendment to contract, within thirty (30) days after entering into the contract or amendment.

(ii) Each week, the daily drilling reports covering each well being drilled on the leased premises during the preceding week.

(iii) Simultaneously with its filing, any document affecting the leased premises and which is filed by Lessee with the Texas Railroad Commission or any other regulatory agency.

(iv) As soon as completed, final prints of all driller's logs, electrical logs and surveys obtained in drilling any well on the leased premises, any core analysis and test results obtained from any well on the leased premises, and Lessee's interpretation of all data obtained in Lessee's exploration operations on the leased premises.

(v) As soon as obtained by or on behalf of or made available to Lessee, any title opinion covering all or any part of the leased premises and obtained by or on behalf of or made available to Lessee while this Lease is in effect.

(vi) As soon as entered into, any permitted farm out agreement which is not filed for record.

(vii) With each royalty payment, a check stub, schedule, summary or other remittance advice showing the production period covered by the payment, gross production for the period, the amounts of any deductions and the amount of royalty being paid.

B. Lessee shall furnish to Lessor, as soon as the recording data is available for inclusion, a true and correct photocopy of this Lease, any release of this Lease in whole or in part, any permitted farm out agreement which is filed for record and any permitted assignment of this Lease in whole or in part. In each case where such instruments are to be recorded, the copy provided to Lessor shall reflect the recording data for such instrument.

C. Lessor, at Lessor's risk, shall have access to the derrick floor and all other areas at all times during any operations conducted by Lessee on the land. Lessee shall advise Lessor of the size of chokes installed on all producing wells on the leased premises at all times, together with appropriate pressure information to permit Lessor to check the rate of production from the wells. Lessor shall have the right to strap all storage tanks and read and check all meters and charts affixed to any producing well at reasonable times without previous notice to Lessee, and Lessor may, at Lessor's expense, install check meters on or otherwise check any producing well or wells located on the leased premises.

D. During Lessee's regular office hours, Lessor shall have access to and may inspect and copy all information concerning the drilling, coring, testing and completing of all wells, including the driller's log and all electrical logs and surveys, and all accounting books and records, production charts, records and information, concerning the production, transportation and marketing of oil and gas from the leased premises, and during and for five (5) years after expiration of the primary term of this Lease, all of the following data obtained as a result of Lessee's operations under this lease: all seismic, gravity meter and similar exploration data obtained by Lessee in its exploration of the leased premises so as to permit Lessor to make its own evaluation and interpretation of the data.

E. Lessee shall notify Lessor at least thirty (30) days in advance (exclusive of Saturdays, Sundays and legal holidays) of the time and date of the proposed plugging of any well which has produced, so as to allow Lessor to observe and inspect the plugging operations.

21. INDEMNIFICATION. LESSEE, ITS SUCCESSORS AND ASSIGNS, AGREE TO INDEMNIFY, DEFEND AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, LIABILITIES, FINES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS FEES AND LITIGATION EXPENSES) (COLLECTIVELY "CLAIMS") RESULTING FROM OR ARISING OUT OF OR IN CONNECTION WITH OPERATIONS OF OR FOR LESSEE, ITS AGENTS, CONTRACTORS, OR

SUBCONTRACTORS HEREUNDER, INCLUDING CLAIMS ARISING OUT OF LESSOR'S NEGLIGENCE PROVIDED HOWEVER, THAT THE LESSEE'S OBLIGATIONS UNDER THIS SECTION 21 SHALL NOT APPLY TO CLAIMS THAT ARISE SOLELY OUT OF LESSOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS PROVISION AND ITS INDEMNITIES SHALL SURVIVE THE TERMINATION OF THIS LEASE AND SHALL INURE TO THE BENEFIT OF AND BE BINDING UPON THE RESPECTIVE SUCCESSORS, HEIRS AND ASSIGNS OF LESSOR AND LESSEE.

22. Special Warranty of Title. Lessor warrants title to the undivided fractional mineral fee interest it owns of record as of the date of this Lease and which is covered by this Lease subject to the reservations, exceptions and other provisions hereof, unto Lessee from and against the claims of persons claiming or to claim the same or any part thereof during the term of this Lease by, through and under Lessor, but not otherwise. Lessor agrees that Lessee, at its option after Lessee has given Lessor sixty (60) days' written notice, may discharge any tax, mortgage or other lien upon Lessor's interest in the lease premises, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same, subject to any defenses of Lessor, and apply royalties accruing hereunder toward satisfying same.

23. Proportionate Reduction for less than Entire Interest. It is agreed that if Lessor owns an interest in oil and gas in and under any of the leased premises which is less than the entire oil and gas fee simple estate, then the royalties on production shall each be reduced by the proportion thereof which the mineral fee estate of Lessor in such land bears to the entire mineral fee estate, provided that in no event shall there be any refund of any amounts previously paid to Lessor as bonus, or shut-in gas well payments.

24. COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS. LESSEE, ITS SUCCESSORS AND ASSIGNS, BY ITS ACCEPTANCE OF THIS LEASE, HEREBY AGREES TO COMPLY WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS AND HEREBY ASSUMES FULL RESPONSIBILITY FOR, AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS, LESSOR FROM AND AGAINST ANY LOSS, LIABILITY, CLAIM, FINE, EXPENSE AND COSTS (INCLUDING REASONABLE ATTORNEYS FEES AND LITIGATION EXPENSES) AND CAUSE OF ACTION (COLLECTIVELY "ENVIRONMENTAL CLAIMS") CAUSED BY OR ARISING OUT OF THE VIOLATION (OR DEFENSE OF THE ALLEGED VIOLATION) OF ANY FEDERAL, STATE OR LOCAL LAWS, RULES OR REGULATIONS APPLICABLE TO ANY WASTE MATERIAL, DRILLING MATTER OR FLUID OR ANY HAZARDOUS OR TOXIC SUBSTANCES RELEASED OR CAUSED TO BE RELEASED BY LESSEE OR LESSEE'S AGENTS, OR INDEPENDENT CONTRACTORS FROM THE LEASED PREMISES HEREUNDER INTO THE ATMOSPHERE OR INTO OR UPON THE LEASED PREMISES OR ANY WATER COURSE OR BODY OF WATER, INCLUDING GROUND WATER, INCLUDING ENVIRONMENTAL CLAIMS ARISING OUT OF LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT LESSEE'S OBLIGATIONS UNDER THIS SECTION 24 DO NOT APPLY TO ENVIRONMENTAL CLAIMS THAT ARISE SOLELY OUT OF LESSOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. ADDITIONALLY, UPON RECEIVING ANY NOTICE REGARDING ANY ENVIRONMENTAL, POLLUTION OR CONTAMINATION PROBLEM OR VIOLATION OF ANY LAW, RULE OR REGULATION, LESSEE WILL FORWARD A COPY TO LESSOR BY CERTIFIED MAIL. THIS PROVISION AND ITS INDEMNITIES SHALL SURVIVE THE TERMINATION OF THIS LEASE, AND SHALL INURE TO THE BENEFIT OF AND BE BINDING UPON THE RESPECTIVE SUCCESSORS, HEIRS AND ASSIGNS OF LESSOR AND LESSEE.

25. No Salt Water or Waste Injection Wells. Lessee shall not be permitted to dispose of salt water or produced wastes or wastes of any kind into any formation or strata on this Lease, provided however Lessee may inject salt water produced from the leased premises into a well located thereon that has been drilled by Lessee or an existing wellbore that Lessee has converted into a disposal well, provided that Lessor's written consent is first obtained (such consent not to be unreasonably withheld). If and when requested by Lessor, Lessee shall demonstrate to Lessor's reasonable satisfaction that any such disposal or injection well is in compliance with all relevant laws and regulations concerning protection of ground water resources.

26. **Timely Plugging and Abandonment of Wells.** Without prior written consent of the Lessor, Lessee shall not allow any well located on the leased premises to remain in a shut-in, temporarily abandoned or otherwise non-productive state for a period of more than twelve (12) months without beginning plugging and abandonment operations with respect to the well and restoring the location, and providing that these procedures must be completed within two (2) months of their initiation. The only exception to this shall be gas wells capable of production which are shut-in pursuant to the provisions above regarding shut-in gas well payments, and for which shut-in gas well payments are being made in accordance with those same provisions. The obligations of Lessee, (and the concomitant rights of the Lessor), under this provision concerning the proper plugging and abandonment of wells and restoration of the surface of the leased premises shall survive the termination of this Lease, and shall inure to the benefit of and be binding upon the respective successors, heirs and assigns of Lessor and Lessee.
27. **Alteration/Modification.** The terms of this Lease cannot be altered or amended except by a written instrument clearly demonstrating such purpose and effect, and executed by both parties to this Lease. The written instrument shall describe the specific terms or provisions being altered and the proposed modification or change thereto. Any notation or legend attached to a royalty check shall be null and void and without legal significance for the purpose of altering this Lease.
28. **Recording Memorandum.** It is understood and agreed that Lessee may, if it so chooses, file a Memorandum of this Lease in the real property records of Upton County, Texas, such Memorandum to describe the Leased Premises and identify the primary term and Lessor(s) and Lessee(s) who execute this Lease. Such a recording Memorandum will be executed and acknowledged by each of the parties hereto and shall disclose the existence of the continuous development program called for in this Lease.
29. **Counterparts.** This Lease may be executed in multiple counterparts each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.
30. **GOVERNING LAW; VENUE.** THIS LEASE SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF TEXAS. THE VENUE FOR ANY ACTION TO ENFORCE OR CONSTRUCT THE TERMS AND PROVISIONS OF THIS LEASE SHALL BE IN THE STATE COURTS OF UPTON COUNTY, TEXAS.
31. **Separate Tracts/No Communitization.** If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied, or result from, the inclusion of such separate tracts within this Lease. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to the parties or amounts, from that as to any other part of the leased premises. Lessor has included multiple tracts under this Lease for the convenience of Lessor and Lessee, with the express agreement and stipulation that this Lease is not a "community lease" and that no communitization of royalty interest shall occur and that each separate tract shall be, for purposes of calculating and paying of royalty interest, considered a separate lease.
32. **Lease Bonus for Excess Acreage.** In the event during the primary term of this Lease it is discovered by Lessor or Lessee that this Lease actually covers more net mineral acres in the leased premises than such parties believed to be covered by this Lease at the time of its execution and delivery, and Lessor provides reasonable documentary proof of the existence of such excess net mineral acreage, then and in that event Lessee agrees to pay to Lessor an additional lease bonus consideration equal to the sum arrived at by multiplying the number of excess net mineral acres times the agreed per acre lease bonus consideration paid at the time of the execution and delivery of this Lease.
33. **Notices.** Any notice permitted or required under the terms and provisions of this Lease shall be in writing signed by or on behalf of the party giving notice and properly addressed and delivered to the recipient party utilizing the following address and contact information. Each notice under this Lease shall be sent by certified mail, return receipt requested, by facsimile transmission (fax), or by commercial overnight courier. A notice sent by mail shall be deemed to have been received (if

properly addressed, with postage prepaid) no later than three (3) Business Days after it is postmarked, while notices sent by commercial overnight courier shall be deemed to have been delivered when actually received.

Notices to the Lessor(s) and Lessee(s) respectively, shall be addressed as follows:

If to Lessor:

Eleanor C. Hartman, Individually and as
Trustee of the W. N. Connell and
Marjorie T. Connell Living Trust
Agreement dated May 18, 1972
P.O. Box 710
Las Vegas, Nevada 89125-0710

If to Lessee:

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

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

LESSOR

By: Eleanor C. Hartman Individually and as
Eleanor C. Hartman, Individually and as
Trustee of the W. N. Connell and Marjorie
T. Connell Living Trust under Trust Trustee
Agreement dated May 18, 1972

LESSEE

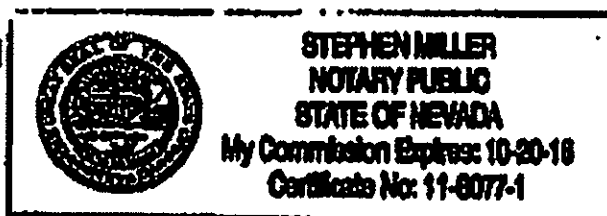
APACHE CORPORATION

By: T. R. Custer
Printed Name: TIMOTHY R. CUSTER
Title: ATTORNEY IN FACT

THE STATE OF NEVADA §
§
COUNTY OF CLARK §

The foregoing instrument was acknowledged before me this 4th day of April, 2012, by Eleanor C. Hartman, Individually and as Trustee of the W. N. Connell and Marjorie T. Connell Living Trust under Trust Agreement dated May 18, 1972.

[SEAL]

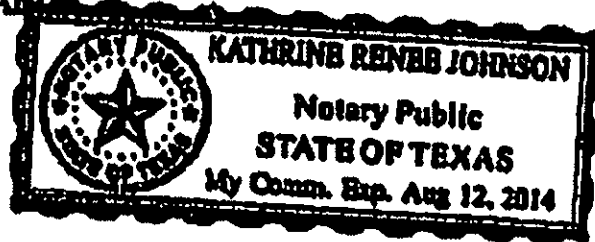


Stephen Miller
Notary Public in and for the State of Texas
Printed Name of Notary: Stephen Miller
My commission Expires: 10-20-15

THE STATE OF TEXAS §
COUNTY OF Hidalgo §

The foregoing instrument was acknowledged before me this 11th day of April, 2012, by Timothy R. Casler Attorney in Fact of Apache Corporation, a Delaware corporation, on behalf of said corporation.

[SEAL]



Kathrine Renee Johnson
Notary Public in and for the State of Texas
Printed Name of Notary: Kathrine Renee Johnson
My commission Expires: Aug 12, 2014

OIL AND GAS LEASE

STATE OF TEXAS

§
§
§

COUNTY OF UPTON

THIS AGREEMENT, made and entered into as of the 4th day of April, 2012, by and between the undersigned party or parties designated as Lessor on the signature page of this Lease (such party or parties hereinafter called "Lessor") and the undersigned party or parties designated as Lessee on the signature page of this Lease (such party or parties hereinafter called "Lessee").

1. **Definitions.** As used in this Lease, the following words and phrases shall have the meaning set forth below:

A. "commence a well", "commencement of a well", "commence actual drilling operations", "commencement of actual drilling operations", "actual drilling" or "actual drilling of a well" shall be deemed to occur at such time as there has been erected on the leased premises at the location for the well, a derrick, a rig and machinery capable of drilling to the base of the objective formation, the well has been "spudded-in" and the machinery for drilling is rotating under power.

B. "completion" or "completion of a well" shall be deemed to occur on (i) the date which is ninety (90) days after the production casing and/or liner has been run in the hole, (ii) the date which is ninety (90) days after total depth of the well in question has been reached, or (iii) the date indicated in the completion report for the well which is filed with the Railroad Commission, whichever is the earliest date.

C. The date of abandonment of a dry hole is the date indicated on the Texas Railroad Commission plugging report for the well or thirty (30) days after total depth is reached, whichever is the earlier date.

D. "production", "producing", "production in paying quantities", "commercial production", "production in commercial quantities", "producing in paying quantities" and "producing in commercial quantities" shall have the same meaning for purposes of this Lease, namely production in quantities sufficient to yield a return to the holders of the working interest excluding severance taxes, in excess of operating expenses, royalties and expenses of equipment beyond the wellhead and costs including depreciation of assets ("depreciation of assets" shall be the actual loss of fair market value of salvable equipment on the leased premises during the relevant period), even though drilling costs may never be recouped by working interest owners. The review period for purposes of determining whether production is in paying or commercial quantities shall be one hundred twenty (120) consecutive days. There shall be no review period when production ceases. Production in less than paying or commercial quantities shall never be considered as production for purposes of this Lease.

E. "operations for reworking", "reworking operations", "commencement of reworking operations", "commence reworking operations", "commence reworking operations" and "actual reworking operations" shall have the same meaning being the actual re-entry into an existing wellbore with a drilling or workover rig capable of re-entering and reworking such well and the timely prosecution of such actual reworking operations in good faith and with reasonable diligence and without cessation of more than sixty (60) days, toward the re-establishment of commercial production of oil or gas from such previously producing zone or zones.

F. "Producing Unit" means the following:

(i) With respect to vertical wells:

[a] A tract of land designated in writing by Lessee, as provided in this Lease,

containing no more than 80 acres on which Lessee has drilled and completed an oil well pursuant to the terms of this Lease and which is producing in paying quantities (provided that if the field rules of the Texas Railroad Commission applicable to wells which are completed in each of the Wolfcamp, Dean and Spraberry formations are modified or amended after the date of this Lease to provide that the standard proration unit for such wells shall be 40 acres, then and in that event, each Producing Unit for oil wells drilled by Lessee after the effective date of such modification or amendment of the applicable field rules shall contain no more than 40 acres, plus a tolerance of ten percent);

- [b] A tract of land designated in writing by Lessee as provided in this Lease containing no more than 320 acres on which Lessee has drilled a gas well pursuant to the terms of this Lease and which is producing in paying quantities.

(ii) With respect to horizontal wells:

- [a] As to horizontal wells, which are not drilled or produced pursuant to a pooled unit created under the terms of this Lease, a tract of land designated in writing by Lessee containing no more than the lesser of:

- [I] Forty (40) acres plus the minimum additional acreage allowed for horizontal drain holes, as set forth in Rule 86 of the Texas Railroad Commission utilizing the Additional Acreage Assignment Table of Rule 86 for fields with a density rule of forty (40) acres or less, as set forth in Section 3.86, Chapter 3, Part 1, Title 16, of the Texas Administrative Code; or

- [II] 320 acres.

- [b] As to horizontal wells which are located within a valid pooled unit created under the terms of this Lease, the Producing Unit for purposes of this Lease shall be the portion of the leased premises comprising a part of such pooled unit.

A Producing Unit, whether for a vertical well or for a horizontal well, shall include only those depths and horizons from one hundred feet (100') above the top of the shallowest formation producing in the well for such Producing Unit down to one hundred feet (100') below the base of the deepest producing formation in such well.

G. "Surface Owner" shall mean the record owner of the fee interest in the surface estate of the tract of land described in Section 2 of this Lease.

H. "Disposition" shall mean when used in reference to Lessee's handling of production; the transaction, place and point in time whereby Lessee and its Affiliates finally and fully relinquish any beneficial ownership, rights or enjoyment of any substance produced under the terms of this Lease.

I. "Affiliate" or "affiliate" as used herein means and shall include each and every one of the following:

- (i) each individual, corporation, joint venture, trust, estate, partnership, limited liability company or other entity that owns or controls more than one percent (1%) of the outstanding voting securities or interest of Lessee; and
- (ii) each corporation, joint venture, trust, partnership, limited liability company or other entity in which Lessee or any current or past officer or director of Lessee owns or controls more than one percent (1%) of the outstanding voting

securities or interest.

2. Grant of Interest/Description.

A. Lessor, in consideration of a cash bonus in hand paid, of the royalties herein provided, and of the agreements of Lessee hereinafter contained, hereby grants, leases, and lets unto Lessee for the sole purpose of exploring for, drilling, operating, and producing oil and/or gas and of laying pipelines, temporarily storing oil, building one or more tank batteries, power lines, and roads thereon necessary to produce, save, care for, treat and transport the oil and/or gas produced from the land leased hereunder, the following described land situated in Upton County, Texas, (sometimes referred to hereinafter as the "leased premises") to wit:

Tract A: All depths lying below a depth of 9300 feet below the surface in the NE/4 and SW/4 of Section 32, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract B: All depths lying below the base of the Dean Sand Formation in the NW/4 and SE/4 of Section 32, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract C: All depths lying below the base of the Dean Sand Formation in the SW/4 NE/4 of Section 40, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract D: All depths lying below the base of the Dean Sand Formation in the SW/4 NW/4 of Section 40, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract E: All depths lying below the base of the Dean Sand Formation in the SW/4 of Section 41, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract F: All depths lying below the base of the Dean Sand Formation in the N/2 of Section 44, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract G: All depths lying below a depth of 9300 feet below the surface in the S/2 of Section 44, Block, 39, T-5-S, T&P Ry. Co. Survey.

Tract H: All depths lying below the base of the Dean Sand Formation in the NE/4 and SW/4 of Section 45, Block 39, T-5-S, T&P Ry. Co. Survey.

Tract I: All depths lying below a depth of 9250 feet below the surface in the NW/4 and SE/4 of Section 45, Block 39, T-5-S, T&P Ry. Co. Survey.

B. This Lease is made subject to any and all easements, rights of way and other encumbrances burdening any part of the leased premises as shown of record in Upton County, Texas or apparent from a reasonable inspection of the leased premises.

C. By this Lease, Lessee acquires no right to construct, operate or maintain any treating or processing plant, dwelling house, lease house, camp, pipe yard, equipment yard, warehouse or similar structure on the leased premises and acquires no easement, express or implied, with respect to any land other than the leased premises.

D. Lessee specifically covenants and agrees that with respect to its performance of obligations (both express and implied) and exercise of rights and privileges arising under this Lease that Lessee shall conduct itself with respect to Lessor and the Surface Owners with the utmost good faith and fair dealing. Lessee further covenants and agrees to comply with all applicable local, state and federal laws, rules, and regulations.

3. Term. Subject to the provisions contained herein, this Lease shall be for a term of three (3) years from this date (called "primary term"), and for so long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises.

4. **Surface Use Agreement.** Lessee's rights to utilize the surface estate in the leased premises as elsewhere described in this Oil and Gas Lease are expressly made subject to that certain Surface Use Agreement dated April 4, 2012, entered into by and between Connell-Cowden Ranch, LP, as Owner, and Apache Corporation, as Operator. It is understood and agreed that the execution and delivery of this Oil and Gas Lease is made conditional upon the execution and delivery of the Surface Use Agreement.

5. **Reservations.** There is EXCEPTED from this Lease and Lessor RESERVES unto Lessor and Lessor's heirs, successors, administrators and assigns:

A. all minerals ~~except~~ oil, gas and other liquid and gaseous substances and sulphur that are necessarily produced with such oil or gas;

B. equal and concurrent rights of occupancy, use and possession of the surface estate by (1) Lessor, (2) the Surface Owner and (3) Lessor's or the Surface Owner's other mineral, surface, grazing, agricultural and recreational lessees or assignees, together with the right of ingress to and egress from the leased premises for all purposes including exploring, developing and operating said leased premises for oil, gas and other minerals of whatever nature which are not covered by this Lease or which may hereafter be released from this Lease and, the sole and exclusive right, as between Lessor and Lessee, to complete water source wells on the leased premises and in any reservoir not productive of oil or gas for the purpose of obtaining water for domestic and agricultural use and consumption and for the exploration, development and operation of Lessor's reserved rights; provided, however, Lessor and Surface Owner agree not to use the surface of the premises affected hereby in any manner that will interfere unduly with any of Lessee's rights in exploring, developing, producing, transporting, and marketing oil, gas and other hydrocarbons under leased premises. As between mineral, surface, and agricultural lessees, access to the surface shall be based on the principle of first-in-time, first-in-right, but as between Lessee herein and subsequent mineral lessees, the leasehold estate created by this Lease shall be considered dominant;

C. all rights granted to Lessee in this Lease shall be limited to the leased premises and depths described and covered by this Lease together with such ingress to and egress from leased premises as designated by Lessor and shall not extend to and Lessor expressly reserves all rights, privileges and usage which relate to land not described herein or which may be released herefrom. It is understood and agreed that to the extent Lessee establishes roads, flowlines, pipelines or power lines across the leased premises in accordance with the terms and provisions of the Surface Use Agreement to service its operations on any of the following described tracts of land (the "Jointly Operated Acreage"), prior to any partial or total termination of this Lease, then and in that event, Lessee may nevertheless continue to use such established roads, flowlines, pipelines and power lines as originally configured for as long as any of the existing oil and gas leases (including this Lease and any oil and gas leases executed by Lessor to Lessee within (30) days from and after the date of this Lease) covering any portion of the Jointly Operated Acreage remains in force and effect; provided however it is expressly understood and agreed that Lessee's limited right to use the surface estate of the leased premises for roads, flowlines, pipelines and power lines across the leased premises for the benefit of Lessee's other leasehold operations on the Jointly Operated Acreage shall never be extended or construed to extend or be utilized by Lessee for the use or benefit of or as a convenience to Lessee in operating on lands not within the Jointly Operated Acreage, regardless of whether such lands not included within the Jointly Operated Acreage are owned by Lessor or any one or more of the Surface Owner or third parties:

- (i) W/2 of Section 48, Block 40, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (ii) SE/4 of Section 43, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (iii) Section 42, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (iv) Section 32, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.

- (v) SW/4 NE/4 of Section 40, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (vi) SW/4 NW/4 of Section 40, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (vii) SW/4 of Section 41, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (viii) Section 44, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.
- (ix) Section 45, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.

6. Partial Termination: Continuous Development: Retained Acreage and Depths.

A. At the later to occur of the following: (i) the expiration of the primary term of this Lease, or (ii) the conclusion of the Lessee's continuous development program undertaken and prosecuted in accordance with the provisions of this Lease; this Lease shall terminate as to all of the leased premises not theretofore released, save and except the acreage and depths included in the Producing Unit(s) established by Lessee.

B. Each Producing Unit shall be in the form of a square or rectangle as nearly as is practicable with the well at a legal location on such Producing Unit and as nearly as possible in the center of such Producing Unit.

C. Lessee shall designate each Producing Unit in recordable form with such designation containing a metes and bounds description or other sufficient legal description of the Producing Unit's exterior boundaries and relevant depth limitations. Lessee shall place each designation of a Producing Unit of record in Upton County, Texas within sixty (60) days after the completion of the well for such Producing Unit and promptly provide to Lessor a certified copy of such recorded designation of Producing Unit; provided, however that during the existence (if any) of Lessee's continuous development program, Lessee may defer filing such designations until the continuous development program has been concluded at which time Lessee may file a single instrument which identifies and designates each Producing Unit situated on the leased premises.

D. Lessee shall, within sixty (60) days after termination of this Lease, as to any part of the leased premises, execute and furnish to Lessor a recordable release describing the acreage and/or depths as to which this Lease has terminated.

E. Subject to the provisions of Section 6.G. below, if at the expiration of the primary term of this Lease, Lessee is then engaged in drilling a well on the leased premises or if Lessee has completed a well as a commercial producer on the leased premises and such well is then still producing in paying quantities upon the expiration of the primary term of this Lease, Lessee shall have the right and option (but not obligation) to engage in a continuous development program on the leased premises by conducting a program of continuous drilling of new wells on the leased premises allowing no more than one hundred eighty (180) days to elapse between (i) the completion of one well as a well producing in paying quantities or as a dry hole, and (ii) the commencement of actual drilling operations on the next succeeding well. If a continuous development program is undertaken by the Lessee it shall be deemed to have been concluded on the earlier to occur of the following: (x) at such time as Lessee allows more than one hundred eighty (180) days to pass from the most recent completion of a new well on the leased premises without having commenced actual drilling operations on another new well; or (y) upon the date which is the tenth (10th) anniversary of the date on which the primary term of this Lease expired. It is understood and agreed that commencement of reworking operations or drilling, side tracking or deepening operations on a well previously completed pursuant to this Lease shall not constitute "commencement of actual drilling on the next succeeding well" so as to constitute continuous development.

F. If after the expiration of the primary term of this Lease or the conclusion of Lessee's continuous development program, whichever occurs later, any Producing Unit shall cease to produce

continuous development program, whichever occurs later, any Producing Unit shall cease to produce in paying quantities this Lease shall terminate as to such Producing Unit unless Lessee, within sixty (60) days after such cessation of production in paying quantities, commences reworking operations or commences actual drilling operations and thereafter diligently prosecutes the same or different reworking or actual drilling operations on such Producing Unit with no cessation of more than thirty (30) days until production in paying quantities is restored.

G. Notwithstanding anything herein to the contrary, on the date which is the tenth (10th) anniversary of the date on which the primary term of this Lease expires, this Lease shall terminate as to all acreage not then located within a Producing Unit.

H. Although this Lease may have terminated in part or may have been partially released, Lessee shall have and retain easements over and across the terminated portion or portions of the surface of the leased premises as shall be reasonably necessary for ingress and egress so as to enable Lessee to develop and operate the portion or portions of the leased premises as to which this Lease continues in effect and Lessee shall not be required to relocate any pipelines or roads solely because of the partial termination or partial release of this Lease.

7. **Royalties.** As royalty, Lessee covenants and agrees:

A. **Oil.** To deliver free of cost to Lessor at the location of the disposition of Lessee's oil and liquid hydrocarbons or to the credit of Lessor at the pipelines to which the wells may be connected, one-fourth (1/4) of all oil and other liquid hydrocarbons (recovered or separated on the leased premises) produced and saved from the leased premises; or, at the Lessor's option, which may be exercised from time to time, Lessee shall pay to Lessor the same percentage of the market value at the point of Lessee's disposition of its oil and liquid hydrocarbons for such oil and other liquid hydrocarbons of like grade and gravity prevailing in the area on the day such oil and other hydrocarbons are run; provided, however, there shall be no deduction from the value of Lessor's royalty by reason of any processing, treatment, trucking, transportation or other cost to market such oil and other liquid hydrocarbons. If Lessee or any Affiliate of Lessee engages in any "downstream marketing" of oil or other liquid hydrocarbons, from the leased premises, including receiving payments for aggregating such substances with oil or liquid hydrocarbons produced from other tracts of land, then and in that event, Lessee shall fully disclose any such contractual or other marketing arrangements and shall include in its payment of royalties on oil the share of the payments or value of any other consideration received in connection with or for such arrangements on the basis that the production from and attributable to this lease bears to the total volume of production the disposition for which Lessee or any of its Affiliates received any "bonuses", "marketing fees", "aggregation fees" or the like.

B. **Gas.** To pay the Lessor:

(i) On gas produced from the leased premises which is processed in a processing plant in which Lessee or any parent, subsidiary or affiliate of Lessee has a direct or indirect interest, Lessor shall receive the higher of (a) one-fourth (1/4) of the market value of such gas at the inlet to the processing plant, or (b) one-fourth (1/4) of the market value of all processed liquids saved from said gas at the point of disposition for Lessee's share of processed liquids, plus one-fourth (1/4) of the market value of all residue gas at the point of sale, use or other disposition.

(ii) On gas produced from the leased premises, which is processed in facilities other than a processing plant in which Lessee or any parent, subsidiary or affiliate of Lessee has a direct or indirect interest, Lessor shall receive one-fourth (1/4) of the market value at the point of disposition of Lessee's liquids of all processed liquids credited to the account of Lessee and attributable to such gas, plus one-fourth (1/4) of the market value of all residue gas at the point of sale, use or other disposition.

(iii) On all gas produced from the leased premises, and sold by Lessee or used on or off the leased premises, and to which the preceding subparagraphs (i) and (ii) above do not apply, Lessor shall receive one-fourth (1/4) of the market value at the point of use or other disposition of all such gas.

C. The market value of all gas shall be determined at the specified location and by reference to the gross heating value (measured in British thermal units) and quality of the gas. The market value used in the calculation of all royalty under this Lease shall never be less than the total proceeds received by Lessee in connection with the sale, use or other disposition of oil or gas produced or sold from the leased premises. If Lessee receives from a purchaser of oil or gas any reimbursement for all or any part of severance or production taxes, the proportionate part of such reimbursement amount shall be added to the total proceeds received by Lessee for purposes of this subsection. If Lessee realizes proceeds of production after deduction of any expenses of production, gathering, dehydration, separation, compression, transportation, treatment, processing, storage or marketing, then the proportionate part of such deductions shall be added to the total proceeds received by Lessee for purposes of this Section 7.C.

D. Notwithstanding anything to the contrary, Lessor's royalty shall never bear, either directly or indirectly, any part of the costs or expenses of production, separation, gathering, dehydration, compression, transportation, trucking, processing, treatment, storage or marketing of the oil or gas produced from the leased premises, nor any part of the costs of construction, operation or depreciation of any plant or other facilities or equipment used in the handling of oil or gas produced from the leased premises. Royalty shall be payable on oil, gas and other products produced from the leased premises and consumed by Lessee on the leased premises, whether for compression, dehydration, fuel or other uses. It is understood and agreed that as to gas volumes produced from the leased premises which are reinjected by Lessee into a producing formation in the leased premises for the purpose of pressure maintenance or re-pressuring such formation with Lessee having the good faith belief that such re-injection will result in the enhancement of the overall recovery of royalty-bearing hydrocarbons from this Lease, then and in that event Lessee shall not be required to pay royalties on such re-injected gas volumes.

E. If the gas produced from the leased premises is sold by Lessee pursuant to an arms-length contract with a purchaser which is not an affiliate of Lessee, and the contract provides for (i) net proceeds to be paid to Lessee which equal or exceed the market value of the gas at the point of delivery to such purchaser at the time such contract is entered into, and (ii) a term no longer than that which is usual and customary in the industry at the time the contract is made and such contract provides for redetermination of price to reflect increases in the market value of natural gas not less frequently than annually, then the market value of the gas sold pursuant to such contract shall be the total proceeds received by Lessee in such sale, subject to the provisions of Section 7.C. and 7.D. above.

8. Payment of Royalties. With respect to each well on the leased premises, initial royalty payments for oil and/or gas shall be made on or before the end of the fourth (4th) calendar month following the month of first production. Thereafter, all royalties which are required to be paid hereunder to Lessor shall be due and payable in the following manner: Royalty on oil shall be due and payable on or before the fifth (5th) day of the second (2nd) calendar month following the month production is sold, and royalty on gas shall be due and payable on or before the fifteenth (15th) of the third (3rd) calendar month following the month of production. Each royalty payment shall be accompanied by a check stub, schedule, summary or remittance advice identifying the Lease and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas. A copy of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts shall be delivered to Lessor within thirty (30) days after entering into or making such contracts, agreements or amendments. The books, accounts and all other records pertaining to production, transportation, sale and marketing of oil or gas from the leased premises shall at any time during normal business hours be subject to inspection and examination by Lessor. If payments to be made by Lessee to Lessor are not made when due for whatever reason, the unpaid portion shall bear interest at the lower of Twelve Percent per annum (12%) or the highest rate allowed by law. If Lessee is in default hereunder and this matter is turned over to an attorney for collection, or is collected by suit, Lessee agrees to pay all reasonable attorney's fees and litigation expenses incurred by Lessor. Payments may be remitted to Lessor annually for the aggregate of up to twelve (12) months' accumulation of proceeds if the total amount owed is \$25.00 or less.

9. Limitation of Oil and Gas. This Lease is intended to cover only oil and gas, but some other substances (including helium and sulphur) may be produced necessarily with and incidental to the

production of oil or gas from the leased premises; and, in such event, this Lease shall also cover all such other substances so produced. On all such substances produced under and by virtue of the terms of this Lease, Lessor shall receive a royalty of one-fourth (1/4) of all such substances so produced and saved, same to be delivered to Lessor, free of all costs; or, at Lessor's election, Lessor's one-fourth (1/4) of such substances shall be sold by Lessee with Lessee's portion of such substances and at the same price realized by Lessee in its disposition of its portion of such substances.

10. Gas Contracts: Contracts for Sale or Other Disposition of Production.

A. Each and every contract or agreement entered into by Lessee for or relating to the sale, processing or other disposition of production from or attributable to this Lease shall contain provisions sufficient to accommodate the Lessor's full exercise of its rights and privileges with respect to its royalty share of production including, but not limited to, those set forth in Section 12 of this Lease.

B. In the event Lessee enters into a contract for the sale of gas produced from or attributable to this Lease (including the Lessor's royalty share of gas) which contract contains what is commonly referred to as a "take or pay provision" (such provision meaning that the gas purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a specified price or to make minimum periodic payments to the producer for gas not taken by purchaser) and the purchaser under such gas purchase contract makes payments to Lessee by virtue of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to one-fourth (1/4) of all sums paid to producer under the provisions of such contract. Such royalty payments shall be due and owing to Lessor within sixty (60) days after Lessee's receipt of such payments from its purchaser. Any royalty payments made to Lessor under the "pay" obligation of any "take or pay" gas contract shall be applied as a credit toward Lessee's minimum royalty obligation. If the gas purchaser which has made any such "take or pay" payments to Lessee is entitled to and does "make-up" volumes of gas within the recoupment period called for in the gas contract and Lessee is required to give such purchaser a credit for those volumes of gas previously paid for but not taken, then Lessor shall not be entitled to royalty on such "make-up" gas, except to the extent necessary for Lessor to receive its full royalty share of the market value of such gas in accordance with Section 7.

C. To the extent Lessor's royalty share of oil, gas, natural gas liquids or any other substance produced and saved from the leased premises is covered or included by Lessee in any contract for the sale, processing or other disposition of production from or attributable to this Lease, Lessor shall be an intended third-party beneficiary of any such contract regardless of any provision of such contract(s) to the contrary. Further, Lessor shall be entitled to one-fourth (1/4) of the value of any benefits obtained by or granted to Lessee in connection with the Lessee's execution, amendment, modification, extension, cancellation, waiver, or settlement of any such contract.

11. Separation of Liquids. All gas produced from the leased premises shall, before the same is sold or used for any purpose or is transported from the leased premises be passed through a mechanical separator system situated on the leased premises designed and operated to effect the maximum economical recovery of liquid hydrocarbons therefrom. All condensate, distillate, natural gasoline, kerosene and all other liquid hydrocarbons and mixtures thereof produced with gas from the leased premises and separated from such shall be considered oil for all purposes of Section 7.A. above.

12. Right to Take Production in Kind. Lessor shall always have the right, at any time and from time to time, upon reasonable written notice to Lessee, to take Lessor's share of oil, gas and processed liquids in kind. Lessor may elect to take Lessor's gas in kind at the well, or at the point of delivery where Lessee delivers Lessee's gas to any third party. If gas is processed, Lessor may elect to take Lessor's share of residue gas attributable to production from the leased premises, at the same point of delivery where Lessee receives its share of residue gas or has its share of residue gas delivered to a third party. Lessor may elect to have its royalty share of processed liquids stored in tanks at the plant or delivered into pipelines on the same basis as Lessee's share of liquids is stored or delivered. Lessor shall reimburse Lessee for all reasonable costs incurred by Lessee in operating or maintaining additional facilities necessary for Lessor's royalty gas and processed liquids to be separately metered,

accounted for, and delivered to a third party, but Lessor shall not be charged for any expense in the production, gathering, dehydration, separation, compression, transportation, treatment, processing or storage of Lessor's share of gas and processed liquids along with Lessee's share of gas and processed liquids.

13. Shut-in Gas Well Payments. If after the expiration of the primary term there is a gas well on the leased premises capable of producing in paying quantities but the production thereof is shut-in, shut-down or suspended for lack of a market, available pipelines, or because of government restrictions or, if it is economically inadvisable for both the Lessor and Lessee to sell gas for a time as evidenced by a written agreement signed by both parties, then, and in any such event, Lessee may pay as shut-in royalty on or before sixty (60) days after the date on which (a) production from any such well is shut-in, shut-down or suspended; or (b) this Lease is no longer maintained by compliance with one of the other preservation provisions hereof, whichever is the later date and thereafter at annual intervals the sum of Twenty Five Dollars (\$25.00) per net mineral acre per Producing Unit per well, or Five Hundred Dollars (\$500.00) per well which ever is greater, for each and every shut-in, shut-down or suspended well. If such payment is made in accordance with the terms hereof, this Lease shall not terminate, but shall continue in force for a period of one (1) year from the date of making such shut-in payment (subject to the exceptions set out hereafter) and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this Lease. Provided, however, in no event shall shut-in well payments maintain this Lease in force for any single period exceeding two (2) years nor shall Lessee be entitled to utilize shut-in gas well payments to maintain any part of this Lease if this Lease has theretofore been maintained in whole or in part by the payment of shut-in gas well payments for a cumulative length of time exceeding four (4) years. Any shut-in royalty payment shall not be a credit against production nor be credited with prior production royalty. In the event that production is begun or resumed during the year following the payment of a shut-in royalty payment and is subsequently shut-in, during such year the second annual shut-in payment shall be due and payable on the anniversary date of the first payment. If there is production on such first anniversary date and the well is subsequently shut-in, shut-down or suspended, then the second shut-in payment shall be made on or before sixty (60) days after such new shut-in date or the Lease shall terminate. Notwithstanding anything to the contrary set out above, a proper shut-in gas well payment will maintain the rights granted by this Lease only to the Producing Unit(s) of such gas well(s) as if they were producing gas in paying quantities pursuant to Section 2 above. Should such shut-in gas well payments not be made in a timely manner as provided for above, then, in that event, it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by another preservation provision hereof, this Lease shall terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to the Producing Units containing a shut-in gas well.

14. Pooling.

Vertical Wells. Unless Lessee obtains the prior written consent of Lessor, Lessee shall have no authority under this Lease to pool all or any portion of the leased premises with other acreage, tracts, interests or leases for the purposes of drilling or producing from a vertical well.

Horizontal Wells. Lessee, at its option, is granted the right and power to pool or combine Lessor's interest in the leased premises, or any portion thereof, as to oil and gas, or either of them, with other contiguous land, lease or leases, to form a pooled unit for a horizontal well, when in Lessee's judgment it is necessary or advisable to do so in order to properly explore, develop and operate the leased premises in compliance with the spacing and density rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of the oil and/or gas in and under and that may be produced from the portion of the leased premises to be included in such a pooled unit for a horizontal well.

A pooled unit created for a horizontal well under this Lease may contain no more than the lesser of:

- (a) Forty (40) acres plus the minimum additional acreage allowed for horizontal

drain holes, as set forth in Rule 86 of the Texas Railroad Commission utilizing the Additional Acreage Assignment Table of Rule 86 for fields with a density rule of forty (40) acres or less, as set forth in Section 3.86, Chapter 3, Part 1, Title 16, of the Texas Administrative Code; or

(b) 320 acres.

Lessee shall execute in writing an instrument identifying and describing the pooled acreage, the leases and interests so pooled, the zones, substances, formations and depths covered by the pooled unit and record such instrument in the county or counties in which the pooled land is situated. The pooled unit shall be effective on the date such instrument is filed of record. A copy of such recorded instrument, and all amendments thereof, shall be furnished to Lessor within thirty (30) days from and after the respective effective date of such instrument(s).

Production from or drilling or reworking operations on any horizontal well on such pooled unit shall be treated as production from or drilling or reworking operations on the portion of the leased premises included in such pooled unit, provided, however, notwithstanding anything else in this Lease to the contrary, production from or drilling or reworking operations on any pooled unit established hereunder shall not be treated as or constitute production from, or drilling or reworking operations on any portion of the leased premises not included within such pooled unit. This Lease may be continued in force and effect as to portions of the leased premises not included in a pooled unit only as provided elsewhere in this Oil and Gas Lease.

Unless otherwise stated herein, there shall be allocated to this Oil and Gas Lease the proportion of the total production from the pooled unit that the number of surface acres covered by this Oil and Gas Lease and included in the pooled unit bears to the total number of surface acres in such pooled unit; and royalties shall be paid hereunder only upon that portion of total pooled unit production so allocated.

Any pooled unit designated by Lessee in accordance with the provisions of this Lease shall automatically terminate upon the completion of a dry hole on the pooled unit or upon the cessation of production in commercial quantities from said pooled unit unless Lessee commences additional operations or restores production on the pooled unit within the applicable time period required for operations provided in Section 6.F. of this Lease. Lessee may dissolve a pooled unit designated in accordance with this Lease at any time after the completion of a dry hole or cessation of production in commercial quantities from such pooled unit.

15. Assignability. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof extend to the heirs, executors, administrators, successors and assigns of the parties hereto; provided, however, that any such assignment by Lessee shall require the prior written consent of Lessor, provided further, however that such consent shall not be unreasonably withheld. Lessor's consent to any assignment shall not constitute consent to any other assignment. Lessee shall furnish Lessor a copy of any assignment made pursuant to this section, with the recording data reflected thereon (if recorded). Assignment of this Lease or any part thereof shall not relieve Lessee, its assignees, or any subassignees of any obligations hereunder, theretofore accrued or to accrue in the future; and any assignee of Lessee shall, by acceptance of such assignment, be bound by all terms and provisions hereof. The term "assignment" as used herein, shall include, without limitation, any sublease, farmout, or any other agreement by which any share of the operating rights granted by this Lease are assigned or conveyed, or agreed to be assigned or conveyed, to any other party.

No change or division in ownership of the leased premises, rentals or royalties however accomplished shall operate to enlarge the obligations or diminish the rights of Lessee, nor shall any such change or division be binding upon Lessee for any purpose until the person acquiring any interest has furnished Lessee with a true and correct copy of the instrument or instruments constituting his chain of title from Lessor.

16. Duty to Develop. The drilling of a well or wells within the broad language of this Lease shall not be construed as an agreement or construction on the part of Lessor that such drilling would constitute reasonable development of the leased premises, or such portion or portions thereof as may

be in force from time to time, as may be necessary to reasonably explore and develop the same for the production of oil and gas. In the event a well or wells producing oil or gas should be brought in on adjacent land and draining the leased premises, Lessee agrees to drill such offset wells as a reasonable prudent operator would drill under the same or similar circumstances. If oil and/or gas are discovered on the land covered by this Lease, Lessee agrees to further develop said land covered by this Lease as a reasonable prudent operator would under the same or similar circumstances.

17. Surface Damages and Restoration. Lessee's obligations with respect to its use of the surface estate in the leased premises is governed by that certain Surface Use Agreement between Lessee and the Surface Owner of even date herewith which is incorporated herein by reference for all purposes.

18. Water. Lessee's rights and interests to utilize potable ground water from the acreage covered by this Lease shall be restricted to those rights and interests more fully described in the Surface Use Agreement; otherwise by this Lease, Lessee does not (expressly or by implication or by operation of law) acquire any title to or right to use for any purpose, any water located in, on or under the leased premises.

19. Division Orders. Division orders or transfer orders, if executed, shall be solely for the convenience of the parties for the purpose of confirming the extent of Lessor's interest in production of oil and gas from the leased premises. No term or provision of this Lease shall be altered, amended, extended or ratified by any division order or transfer order. Any amendment, alteration, extension or ratification of this Lease or of any term or provision of this Lease shall be made by an instrument in writing clearly denominated as to its purpose and effect, describing the specific terms or provisions of the Lease affected and the proposed change or modification, and executed by the party against whom the amendment, alteration, extension, or ratification is to be enforced, any amendment, alteration, extension or ratification not so drafted and executed shall be of no force or effect.

20. Information Requirements.

A. Lessee shall furnish to the designated representative of Lessor (such representative initially designated to be Jacqueline Montoya of Las Vegas, Nevada, at or within the times indicated, a true and correct copy of each of the following:

(i) Any contract under which gas is sold or processed and any amendment to contract, within thirty (30) days after entering into the contract or amendment.

(ii) Each week, the daily drilling reports covering each well being drilled on the leased premises during the preceding week.

(iii) Simultaneously with its filing, any document affecting the leased premises and which is filed by Lessee with the Texas Railroad Commission or any other regulatory agency.

(iv) As soon as completed, final prints of all driller's logs, electrical logs and surveys obtained in drilling any well on the leased premises, any core analysis and test results obtained from any well on the leased premises, and Lessee's interpretation of all data obtained in Lessee's exploration operations on the leased premises.

(v) As soon as obtained by or on behalf of or made available to Lessee, any title opinion covering all or any part of the leased premises and obtained by or on behalf of or made available to Lessee while this Lease is in effect.

(vi) As soon as entered into, any permitted farm out agreement which is not filed for record.

(vii) With each royalty payment, a check stub, schedule, summary or other remittance advice showing the production period covered by the payment, gross production for the period, the amounts of any deductions and the amount of royalty being paid.

B. Lessee shall furnish to Lessor, as soon as the recording data is available for inclusion, a true and correct photocopy of this Lease, any release of this Lease in whole or in part, any permitted farm out agreement which is filed for record and any permitted assignment of this Lease in whole or in part. In each case where such instruments are to be recorded, the copy provided to Lessor shall reflect the recording data for such instrument.

C. Lessor, at Lessor's risk, shall have access to the derrick floor and all other areas at all times during any operations conducted by Lessee on the land. Lessee shall advise Lessor of the size of chokes installed on all producing wells on the leased premises at all times, together with appropriate pressure information to permit Lessor to check the rate of production from the wells. Lessor shall have the right to strap all storage tanks and read and check all meters and charts affixed to any producing well at reasonable times without previous notice to Lessee, and Lessor may, at Lessor's expense, install check meters on or otherwise check any producing well or wells located on the leased premises.

D. During Lessee's regular office hours, Lessor shall have access to and may inspect and copy all information concerning the drilling, coring, testing and completing of all wells, including the driller's log and all electrical logs and surveys, and all accounting books and records, production charts, records and information, concerning the production, transportation and marketing of oil and gas from the leased premises, and during and for five (5) years after expiration of the primary term of this Lease, all of the following data obtained as a result of Lessee's operations under this lease: all seismic, gravity meter and similar exploration data obtained by Lessee in its exploration of the leased premises so as to permit Lessor to make its own evaluation and interpretation of the data.

E. Lessee shall notify Lessor at least thirty (30) days in advance (exclusive of Saturdays, Sundays and legal holidays) of the time and date of the proposed plugging of any well which has produced, so as to allow Lessor to observe and inspect the plugging operations.

21. INDEMNIFICATION. LESSEE, ITS SUCCESSORS AND ASSIGNS, AGREE TO INDEMNIFY, DEFEND AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, LIABILITIES, FINES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS FEES AND LITIGATION EXPENSES) (COLLECTIVELY "CLAIMS") RESULTING FROM OR ARISING OUT OF OR IN CONNECTION WITH OPERATIONS OF OR FOR LESSEE, ITS AGENTS, CONTRACTORS, OR SUBCONTRACTORS HEREUNDER, INCLUDING CLAIMS ARISING OUT OF LESSOR'S NEGLIGENCE PROVIDED HOWEVER, THAT THE LESSEE'S OBLIGATIONS UNDER THIS SECTION 21 SHALL NOT APPLY TO CLAIMS THAT ARISE SOLELY OUT OF LESSOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS PROVISION AND ITS INDEMNITIES SHALL SURVIVE THE TERMINATION OF THIS LEASE AND SHALL INURE TO THE BENEFIT OF AND BE BINDING UPON THE RESPECTIVE SUCCESSORS, HEIRS AND ASSIGNS OF LESSOR AND LESSEE.

22. Special Warranty of Title. Lessor warrants title to the undivided fractional mineral fee interest it owns of record as of the date of this Lease and which is covered by this Lease subject to the reservations, exceptions and other provisions hereof, unto Lessee from and against the claims of persons claiming or to claim the same or any part thereof during the term of this Lease by, through and under Lessor, but not otherwise. Lessor agrees that Lessee, at its option after Lessee has given Lessor sixty (60) days' written notice, may discharge any tax, mortgage or other lien upon Lessor's interest in the lease premises, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same, subject to any defenses of Lessor, and apply royalties accruing hereunder toward satisfying same.

23. Proportionate Reduction for less than Entire Interest. It is agreed that if Lessor owns an interest in oil and gas in and under any of the leased premises which is less than the entire oil and gas fee simple estate, then the royalties on production shall each be reduced by the proportion thereof which the mineral fee estate of Lessor in such land bears to the entire mineral fee estate, provided that in no event shall there be any refund of any amounts previously paid to Lessor as bonus, or shut-in gas well payments.

24. COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS. LESSEE, ITS SUCCESSORS AND ASSIGNS, BY ITS ACCEPTANCE OF THIS LEASE, HEREBY AGREES TO COMPLY WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS AND HEREBY ASSUMES FULL RESPONSIBILITY FOR, AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS, LESSOR FROM AND AGAINST ANY LOSS, LIABILITY, CLAIM, FINE, EXPENSE AND COSTS (INCLUDING REASONABLE ATTORNEYS FEES AND LITIGATION EXPENSES) AND CAUSE OF ACTION (COLLECTIVELY "ENVIRONMENTAL CLAIMS") CAUSED BY OR ARISING OUT OF THE VIOLATION (OR DEFENSE OF THE ALLEGED VIOLATION) OF ANY FEDERAL, STATE OR LOCAL LAWS, RULES OR REGULATIONS APPLICABLE TO ANY WASTE MATERIAL, DRILLING MATTER OR FLUID OR ANY HAZARDOUS OR TOXIC SUBSTANCES RELEASED OR CAUSED TO BE RELEASED BY LESSEE OR LESSEE'S AGENTS, OR INDEPENDENT CONTRACTORS FROM THE LEASED PREMISES HEREUNDER INTO THE ATMOSPHERE OR INTO OR UPON THE LEASED PREMISES OR ANY WATER COURSE OR BODY OF WATER, INCLUDING GROUND WATER, INCLUDING ENVIRONMENTAL CLAIMS ARISING OUT OF LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT LESSEE'S OBLIGATIONS UNDER THIS SECTION 24 DO NOT APPLY TO ENVIRONMENTAL CLAIMS THAT ARISE SOLELY OUT OF LESSOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. ADDITIONALLY, UPON RECEIVING ANY NOTICE REGARDING ANY ENVIRONMENTAL, POLLUTION OR CONTAMINATION PROBLEM OR VIOLATION OF ANY LAW, RULE OR REGULATION, LESSEE WILL FORWARD A COPY TO LESSOR BY CERTIFIED MAIL. THIS PROVISION AND ITS INDEMNITIES SHALL SURVIVE THE TERMINATION OF THIS LEASE, AND SHALL INURE TO THE BENEFIT OF AND BE BINDING UPON THE RESPECTIVE SUCCESSORS, HEIRS AND ASSIGNS OF LESSOR AND LESSEE.

25. No Salt Water or Waste Injection Wells. Lessee shall not be permitted to dispose of salt water or produced wastes or wastes of any kind into any formation or strata on this Lease, provided however Lessee may inject salt water produced from the leased premises into a well located thereon that has been drilled by Lessee or an existing wellbore that Lessee has converted into a disposal well, provided that Lessor's written consent is first obtained (such consent not to be unreasonably withheld). If and when requested by Lessor, Lessee shall demonstrate to Lessor's reasonable satisfaction that any such disposal or injection well is in compliance with all relevant laws and regulations concerning protection of ground water resources.

26. Timely Plugging and Abandonment of Wells. Without prior written consent of the Lessor, Lessee shall not allow any well located on the leased premises to remain in a shut-in, temporarily abandoned or otherwise non-productive state for a period of more than twelve (12) months without beginning plugging and abandonment operations with respect to the well and restoring the location, and providing that these procedures must be completed within two (2) months of their initiation. The only exception to this shall be gas wells capable of production which are shut-in pursuant to the provisions above regarding shut-in gas well payments, and for which shut-in gas well payments are being made in accordance with those same provisions. The obligations of Lessee, (and the concomitant rights of the Lessor), under this provision concerning the proper plugging and abandonment of wells and restoration of the surface of the leased premises shall survive the termination of this Lease, and shall inure to the benefit of and be binding upon the respective successors, heirs and assigns of Lessor and Lessee.

27. Alteration/Modification. The terms of this Lease cannot be altered or amended except by a written instrument clearly demonstrating such purpose and effect, and executed by both parties to this Lease. The written instrument shall describe the specific terms or provisions being altered and the proposed modification or change thereto. Any notation or legend attached to a royalty check shall be null and void and without legal significance for the purpose of altering this Lease.

28. Recording Memorandum. It is understood and agreed that Lessee may, if it so chooses, file a Memorandum of this Lease in the real property records of Upton County, Texas, such Memorandum to describe the Leased Premises and identify the primary term and Lessor(s) and Lessee(s) who execute this Lease. Such a recording Memorandum will be executed and acknowledged by each of the parties hereto and shall disclose the existence of the continuous development program called for

in this Lease.

29. **Counterparts.** This Lease may be executed in multiple counterparts each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

30. **GOVERNING LAW; VENUE.** THIS LEASE SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF TEXAS. THE VENUE FOR ANY ACTION TO ENFORCE OR CONSTRUCT THE TERMS AND PROVISIONS OF THIS LEASE SHALL BE IN THE STATE COURTS OF UPTON COUNTY, TEXAS.

31. **Separate Tracts/No Communitization.** If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts in intended or shall be implied, or result from, the inclusion of such separate tracts within this Lease. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to the parties or amounts, from that as to any other part of the leased premises. Lessor has included multiple tracts under this Lease for the convenience of Lessor and Lessee, with the express agreement and stipulation that this Lease is not a "community lease" and that no communitization of royalty interest shall occur and that each separate tract shall be, for purposes of calculating and paying of royalty interest, considered a separate lease.

32. **Lease Bonus for Excess Acreage.** In the event during the primary term of this Lease it is discovered by Lessor or Lessee that this Lease actually covers more net mineral acres in the leased premises than such parties believed to be covered by this Lease at the time of its execution and delivery, and Lessor provides reasonable documentary proof of the existence of such excess net mineral acreage, then and in that event Lessee agrees to pay to Lessor an additional lease bonus consideration equal to the sum arrived at by multiplying the number of excess net mineral acres times the agreed per acre lease bonus consideration paid at the time of the execution and delivery of this Lease.

33. **Notices.** Any notice permitted or required under the terms and provisions of this Lease shall be in writing signed by or on behalf of the party giving notice and properly addressed and delivered to the recipient party utilizing the following address and contact information. Each notice under this Lease shall be sent by certified mail, return receipt requested, by facsimile transmission (fax), or by commercial overnight courier. A notice sent by mail shall be deemed to have been received (if properly addressed, with postage prepaid) no later than three (3) Business Days after it is postmarked, while notices sent by commercial overnight courier shall be deemed to have been delivered when actually received.

Notices to the Lessor(s) and Lessee(s) respectively, shall be addressed as follows:

If to Lessor:

Eleanor C. Hartman, Individually and as
Trustee of the W. N. Connell and
Marjorie T. Connell Living Trust
Agreement dated May 18, 1972
P.O. Box 710
Las Vegas, Nevada 89125-0710

If to Lessee:

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705

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

LESSOR

By: Eleanor C. Hartman Individually and as
Eleanor C. Hartman, Individually and as
Trustee of the W. N. Connell and Marjorie Trustee
T. Connell Living Trust under Trust
Agreement dated May 18, 1972

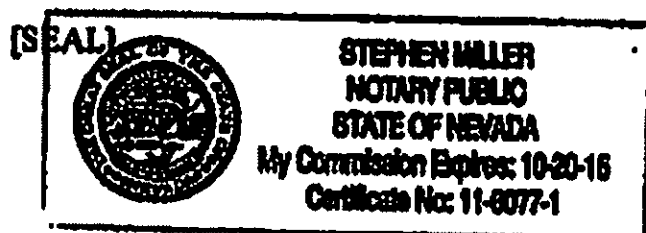
LESSEE

APACHE CORPORATION

By: Timothy R. Custer
Printed Name: TIMOTHY R. CUSTER
Title: ATTORNEY IN FACT

THE STATE OF NEVADA §
§
COUNTY OF CLARK §

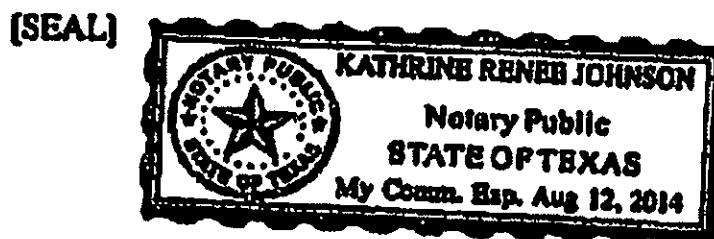
The foregoing instrument was acknowledged before me this 4th day of April, 2012, by Eleanor C. Hartman, Individually and as Trustee of the W. N. Connell and Marjorie T. Connell Living Trust under Trust Agreement dated May 18, 1972.



Stephen Miller
Notary Public in and for the State of Texas Nevada
Printed Name of Notary: Stephen Miller
My commission Expires: 10-20-12

THE STATE OF TEXAS §
§
COUNTY OF Midland §

The foregoing instrument was acknowledged before me this 11th day of April, 2012, by Timothy R. Custer, Attorney in Fact of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Kathrine Renee Johnson
Notary Public in and for the State of Texas
Printed Name of Notary: Kathrine Renee Johnson
My commission Expires: Aug 12 2014

IN THE SUPREME COURT OF THE STATE OF NEVADA

* * *

IN THE MATTER OF: THE W.N.
CONNELL AND MARJORIE T.
CONNELL LIVING TRUST, DATED
MAY 18, 1972,

ELEANOR C. AHERN A/K/A
ELEANOR CONNELL HARTMAN
AHERN,

Appellant,

vs.

JACQUELINE M. MONTOYA; AND
KATHRYN A. BOUVIER,

Respondents.

Supreme Court No.: 66231
Consolidated with: 6782, 68046
Electronically Filed
Nov 20 2015 04:17 p.m.
Tracie K. Lindeman
Clerk of Supreme Court

District Court Case No.:
P-09-066425-T

Appeal from the Eighth Judicial
District Court, The Honorable Gloria
Sturman Presiding

APPELLANT'S APPENDIX

(VOLUME 10 OF 17)

(PAGES AA 2095 - 2312)

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INDEX TO APPELLANT'S APPENDIX

Description	Date Filed	Vol. No.	Page No.
Addendum To Petition To Compel Trustee To Distribute Accrued Income And Future Income From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	03/06/14	4	AA 736-748
Affidavit Of Service (Motion For Leave To Amend)	01/13/15	12	AA 2646-2647
Amended Certificate Of Mailing (Motion To Dismiss)	03/20/14	5	AA 1086-1087
Amended Notice Of Appeal	07/29/15	17	AA 3602-3613
Answer Of Trustee Eleanor C. Ahern To Jacqueline M. Montoya's Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(E), And NRS 164.033(1)(A) And Counterclaims Against Jacqueline M. Montoya	02/10/14	3	AA 609-627
Brief Regarding Accounting, Fiduciary Duties And Trust Administration Filed Under Seal	03/13/15	14-15	AA 2926-3192
Brief Regarding Pending Issues Filed Under Seal	03/12/15	13	AA 2891-2925
Certificate Of Mailing (Petition For Construction)	03/28/14	5	AA 1149-1150
Certificate Of Mailing (Petition For Declaratory Judgment)	09/27/13	1	AA 205-206
Certificate Of Mailing (Petition For Determination)	03/31/14	5	AA 1151-1152
Certificate Of Mailing (Petition To Assume)	08/17/09	1	AA 62-63
Certificate Of Mailing (Petition To Compel)	12/03/13	2	AA 302-303

Description	Date Filed	Vol. No.	Page No.
Certificate Of Mailing (Petition To Compel)	03/06/14	4	AA 749-750
Certificate Of Mailing (Response To Objection)	05/08/14	7	AA 1430-1431
Certificate Of Mailing Regarding Opposition Of Eleanor C. Ahern To Jacqueline M. Montoya's Petition For Construction And Effect Of Probate Court Order	05/12/14	7	AA 1533
Court Minutes Hearing Motion to Dismiss 01/14/14	01/14/14	3	AA 579-580
Court Minutes Re All Pending Motions 05/13/14	05/13/14	7	AA 1534-1536
Court Minutes Re Bench Trial	02/18/14	3	AA 672
Court Minutes Re Evidentiary Hearing On Pending Motions 01/30/15	01/30/15	12	AA 2687-2689
Eleanor C. Ahern's (1) Reply In Support Of Eleanor C. Ahern's Motion To Dismiss Petition For Declaratory Judgment For Failure To State Of Claim Upon Which Relief Can Be Granted; (2) Opposition To Countermotion Of Kathryn A. Bouvier And Jacqueline M. Montoya For Summary Judgment On Petition For Declaratory Judgment, For Damages, And Assessment Of Penalties And For Other Relief; And (3) Reply In Support Of Countermotion For Summary Judgment	01/09/15	11	AA 2362-2540
Errata To Objection Of Trustee Eleanor C. Ahern To Jacqueline M. Montoya's Petition And Addendum To Petition To Compel Trustee To Distribute Accrued Income And Future Income From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	05/07/14	5	AA 1153-1164

Description	Date Filed	Vol. No.	Page No.
Motion For Leave To Amend Pleadings Of Jacqueline M. Montoya And Kathryn A. Bouvier For Claims, Defenses, Damages And Assessment Of Penalties, And For Other Relief Against Eleanor Connell Hartman Ahern	01/12/15	12	AA 2635-2645
Motion In Support Of Award Of Attorney's Fees And Costs	04/01/15	16	AA 3276-3406
Motion To Dismiss And Motion To Strike Counterclaims Raised By Eleanor C. Ahern Pursuant To NRCP 15 And NRCP 12(B)	02/14/14	3	AA 667-671
Motion To Dismiss Counterclaims Of Eleanor C. Ahern	03/18/14	5	AA 1058-1085
Motion To Dismiss Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(E), And NRS 164.033(1)(A) For Failure To State A Claim Upon Which Relief Can Be Granted Per NRCP 12(B)(5)	10/09/14	8	AA 1617-1756
Notice Of Appeal	07/31/14	7	AA 1615-1616
Notice Of Appeal	05/18/15	17	AA 3570-3601
Notice Of Appeal Regarding Order Appoint New Temporary Trustee	04/07/15	16	AA 3411-3417
Notice Of Entry Of Order (Appointing New Temporary Trustee)	04/06/15	16	AA 3407-3410
Notice of Entry of Order and Stipulation and Order to File Under Seal	02/17/15	13	AA 2886-2890
Notice Of Entry Of Order Compelling Eleanor Ahern To Turn Over Trust Records To Acting Successor Trustee	04/24/15	16	AA 3471-3474
Notice Of Entry Of Order Confirming Acting Successor Trustee	04/24/15	16	AA 3475-3478

Description	Date Filed	Vol. No.	Page No.
Notice Of Entry Of Order On Summary Judgment	04/17/15	16	AA 3435-3454
Notice Of Entry Of Order Regarding The Accounting, Breach Of Fiduciary Duty Claims And Award Of Attorney Fees	04/20/15	16	AA 3464-3470
Notice Of Entry Of Order: Re Pending Motions And Scheduling	07/08/14	7	AA 1605-1614
Notice Of Hearing On Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(1)(E), And NRS 164.033(1)(A)	09/27/13	1	AA 203-204
Objection Of Trustee Eleanor C. Ahern To Jacqueline M. Montoya's Petition To Compel Trustee To Distribute Accrued Income And Future Income Received From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	01/03/14	2-3	AA 326-560
Objection Of Trustee Eleanor C. Ahern To Jacqueline M. Montoya's Petition And Addendum To Petition To Compel Trustee To Distribute Accrued Income And Future Income From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	03/13/14	4-5	AA 751-1057
Objection To Motion To Dismiss Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(E), And NRS 164.033(1)(A) For Failure To State A Claim Upon Which Relief Can Be Granted Per NRCP 12(B)(5)	12/11/13	2	AA 304-325

Description	Date Filed	Vol. No.	Page No.
Omnibus Opposition To (1) Petition For Determination Of Construction And Interpretation Of Language Relating To Trust No. 2 And (2) Petition For Construction And Effect Of Probate Court Order; And Countermotion For Summary Judgment	01/02/15	9-11	AA 1850-2361
Opposition Of Eleanor C. Ahern To Jacqueline M. Montoya's Petition For Construction And Effect Of Probate Court Order	05/12/14	7	AA 1432-1532
Opposition Of Eleanor C. Ahern To Motion To Dismiss Counterclaims Of Eleanor C. Ahern	05/07/14	6	AA 1165-1386
Opposition To Eleanor C. Ahern's Motion To Dismiss Petition For Declaratory Judgment For Failure To State A Claim Upon Which Relief Can Be Granted; And, Countermotion Of Kathryn A. Bouvier And Jacqueline M. Montoya For Summary Judgment On Petition For Declaratory Judgment, For Damages And Assessment Of Penalties, And For Other Relief	12/23/14	8	AA 1757-1849
Opposition To Motion For Leave To Amend Pleadings	01/27/15	12	AA 2673-2686
Opposition To Motion In Support Of Award Of Attorney's Fees And Costs	05/04/15	16	AA 3479-3497
Order Appointing New Temporary Trustee	04/01/15	15	AA 3274-3275
Order Compelling Eleanor Ahern To Turn Over Trust Records To Acting Successor Trustee	04/20/15	16	AA 3460-3461
Order Confirming Acting Successor Trustee	04/20/15	16	AA 3462-3463

Description	Date Filed	Vol. No.	Page No.
Order Regarding The Accounting, Breach Of Fiduciary Duty Claims And Award Of Attorney Fees	04/20/15	16	AA 3455-3459
Order: Re Pending Motions And Scheduling	07/07/14	7	AA 1597-1604
Petition For Construction And Effect Of Probate Court Order	03/26/14	5	AA 1088-1127
Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(1)(E), And NRS 164.033(1)(A)	09/27/13	1	AA 64-200
Petition For Determination Of Construction And Interpretation Of Language Relating To Trust No. 2	03/27/14	5	AA 1130-1146
Petition To Assume Jurisdiction Over Trust; Confirm Trustee; And Construe And Reform Trust	08/17/09	1	AA 1-61
Petition To Compel Trustee To Distribute Accrued Income And Future Income Received From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	12/03/13	2	AA 277-299
Petition To Compel Trustee To Distribute Accrued Income And Future Income From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	03/06/14	4	AA 713-735
Pre-Trial Memorandum	02/11/14	3	AA 628-666
Recorder's Transcript Motions Hearing 01/14/14	01/24/14	3	AA 581-608
Recorder's Transcript Of Proceedings Civil Bench Trial – Day 1 02/18/14	02/26/14	4	AA 673-712

Description	Date Filed	Vol. No.	Page No.
Reply In Support Of Countermotion Of Kathryn A. Bouvier And Jacqueline M. Montoya For Summary Judgment On Petition For Declaratory Judgment, For Damages And Assessment Of Penalties, And For Other Relief; And, Opposition To Eleanor's Countermotion For Summary Of Judgment	01/09/15	12	AA 2541-2588
Reply In Support Of Motion For Award Of Attorney's Fees And Costs And Supplement To Motion In Support Of Award Of Attorney's Fees And Costs	05/08/15	17	AA 3498-3531
Response To Objection Of Eleanor C. Ahern To Jacqueline M. Montoya's Petition And Addendum To Petition To Compel Trustee To Distribute Accrued Income And Future Income From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	05/08/14	7	AA 1387-1429
Response To Objection Of Trustee Eleanor C. Ahern To Jacqueline M. Montoya's Petition To Compel Trustee To Distribute Accrued Income And Future Income Received From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	01/09/14	3	AA 561-578
Second Supplement To Brief Regarding Pending Issues Filed Under Seal	03/19/15	15	AA 3267-3273
Summary Judgment	04/16/15	16	AA 3418-3434
Supplement To Brief Regarding Accounting, Fiduciary Duties And Trust Administration Filed Under Seal	03/18/15	15	AA 3253-3266
Supplement To Brief Regarding Pending Issues Filed Under Seal	03/18/15	15	AA 3193-3252

Description	Date Filed	Vol. No.	Page No.
Supplement To Motion To Amend Pleadings	01/20/15	12	AA 2648-2672
Supplement To Reply In Support Of Countermotion Of Kathryn A. Bouvier And Jacqueline M. Montoya For Summary Judgment On Petition For Declaratory Judgment, For Damages, And Assessment Of Penalties, And For Other Relief; And, Opposition To Eleanor's Countermotion For Summary Judgment	01/12/15	12	AA 2589-2634
Sur-Reply To Montoya And Bouvier's Reply In Support Of Motion For Award Of Attorneys' Fees And Costs	05/12/15	17	AA 3532-3536
Transcript Of Proceedings Hearing On Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(1)(E), And NRS 164.033(1)(A) 11/12/13	12/06/13	2	AA 207-276
Transcript Of Proceedings Motion For Attorney Fees 05/13/15	06/12/15	17	AA 3537-3569
Transcript Of Proceedings: Hearing 01/30/15	03/02/15	13	AA 2690-2885
Transcript Re: All Pending Motions 05/13/14	05/20/14	7	AA 1537-1596
Verification For Petition For Construction And Effect Of Probate Court Order	03/26/14	5	AA 1128-1129
Verification For Petition For Declaratory Judgment Regarding Limited Interest Of Trust Assets Pursuant To NRS 30.040, NRS 153.031(1)(E), And NRS 164.033(1)(A)	09/27/13	1	AA 201-202
Verification For Petition For Determination Of Construction And Interpretation Of Language Relating To Trust No. 2	03/27/14	5	AA 1147-1148

Description	Date Filed	Vol. No.	Page No.
Verification For Petition To Compel Trustee To Distribute Accrued Income And Future Income Received From Oil, Gas, And Mineral Leases And Declaration Of The Applicability Of The Doctrine Of Laches	12/03/13	2	AA 300-301

018177\0001\13966625.1

IN THE SUPREME COURT OF THE STATE OF NEVADA

* * *

IN THE MATTER OF: THE W.N.
CONNELL AND MARJORIE T.
CONNELL LIVING TRUST, DATED
MAY 18, 1972,

ELEANOR C. AHERN A/K/A
ELEANOR CONNELL HARTMAN
AHERN,

Appellant,

vs.

JACQUELINE M. MONTOYA; AND
KATHRYN A. BOUVIER,

Respondents.

Supreme Court No.: 66231

Consolidated with: 67782, 68046

District Court Case No.:
P-09-066425-T

Appeal from the Eighth Judicial
District Court, The Honorable Gloria
Sturman Presiding

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Brownstein Hyatt Farber Schreck, LLP, and pursuant to NRAP 25(c) and (d), I caused a true and correct copy of the foregoing **APPELLANT'S APPENDIX (Volume 10 of 17) (Pages AA 2095-2312)** by using the Court's Electronic Filing System on November 20, 2015, upon the following:

WHITNEY B. WARNICK, ESQ.
ALBRIGHT, STODDARD,
WARNICK & ALBRIGHT
801 South Rancho Drive, Suite D-4
Las Vegas, NV 89106
Attorneys for Kathryn A. Bouvier

JOSEPH J. POWELL, ESQ.
THE RUSHFORTH FIRM, LTD.
P.O. Box 371655
Las Vegas, NV 89137-1655
*Attorneys for Jacqueline M. Montoya
and Kathryn A. Bouvier*

I hereby certify that on November 20, 2015, I served a copy of this document by mailing a true and correct copy, postage prepaid, via U.S. Mail, addressed to the following:

MICHAEL K. WALL, ESQ.
HUTCHISON & STEFFEN, LLC
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145
Attorneys for Fredrick P. Waid, Court-
appointed Trustee

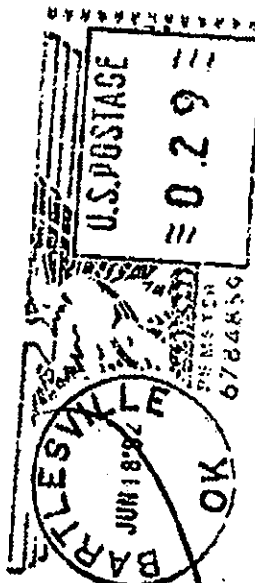
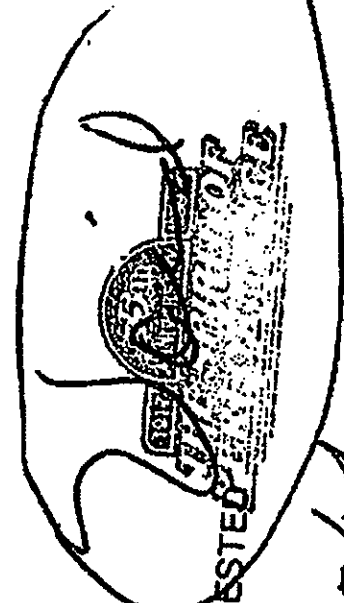
/s/ Erin Parcels
an employee of Brownstein Hyatt Farber Schreck, LLP



PHILLIPS 66 COMPANY
A DIVISION OF PHILLIPS PETROLEUM COMPANY
BOX 5400

BARTLESVILLE, OKLAHOMA 74005-5400

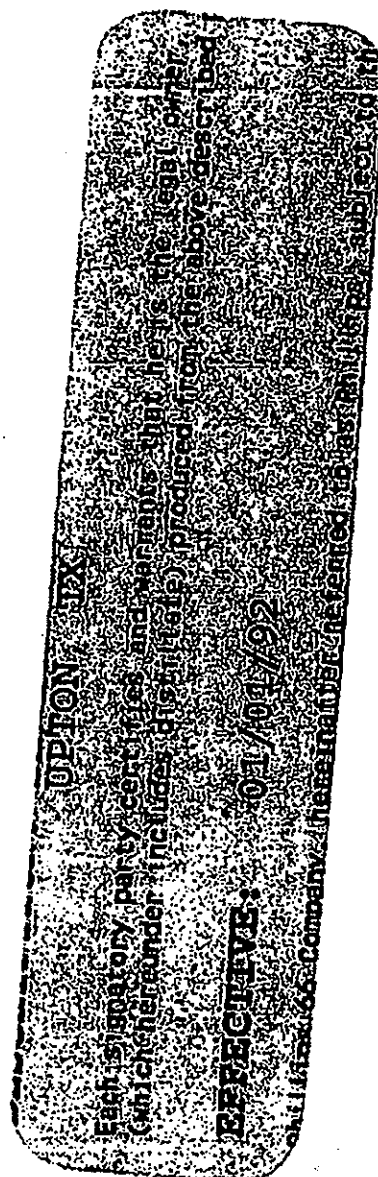
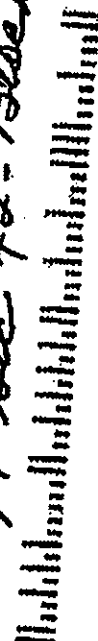
FORWARDING AND ADDRESS CORRECTION REQUESTED



Mailed Signed 7/3/92

*Division Orders
to Correct division Order
of 12-20-91*

*NP 24 Tr. 27 W. Pembroke Spooling
Parker & Passley Petroleum
SE 1/4 Sec 42-136eb 38 - 735*



14351EN0292

DIVISION ORDER

BWW:CJC:3415
DATE: 06/17/92
LEASE: 57200

RETURN ONE COPY TO: PHILLIPS 66 COMPANY
P.O. BOX 5400
BARTLESVILLE, OK 74005-5400

LEASE NAME: NPSU TR 27 N PEMBROOK SPRABERRY
OPERATOR: PARKER & PARSLEY PETROLEUM COMPANY
DESCRIPTION: SE/4 SEC 42-BLK-38 T-5S T&P RR CO SURVEY
UPTON, TX

Each signatory party certifies and warrants that he is the legal owner, in the proportion set out below, of all the oil/gas (which hereunder includes distillate) produced from the above described property.

EFFECTIVE: 01/01/92

Phillips 66 Company, hereinafter referred to as Phillips, subject to the covenants and conditions set out on the reverse side hereof, which are adopted by reference as though fully set out herein, is hereby authorized:

- (a) to purchase and receive oil produced from the above described property, or
- (b) where Phillips owns a working interest in said property or has the right to market all or a portion of the production therefrom, to sell and/or deliver oil produced from the above described property to any purchaser Phillips may designate; and until further notice Phillips shall give credit for said oil, as set out below.

OWNER NUMBER	CREDIT TO	*TI	DECIMAL
178578	MARJORIE T. CONNELL AND ELEANOR MARGUERITE CONNELL HARTMAN TRUSTEES OF THE WILLIAM N. CONNELL AND MARJORIE T. CONNELL LIVING TRUST P. O. BOX 710 LAS VEGAS, NV 89125	R	0.013671700

This division order corrects and supersedes division order issued December 20, 1991. This division order covers the period January 1, 1992 to April 1, 1992.

SIGNATURE OF WITNESS

X *Robert H. Johnson*
X *Robert H. Johnson*

SIGNATURE OF OWNER(S)

X *Marjorie T. Connell*
X *Eleanor Marguerite Connell Hartman*

TAXPAYER NUMBER

** 7338
** 7338

* Types of Interest: R = Royalty, O = Overriding Royalty Interest, W = Working Interest.

** In accordance with federal law, 20% tax will be withheld if you do not provide your social security or employer identification number or if the number provided does not match the owner name shown above. Any taxes so withheld by Phillips will not be refunded by Phillips.

- OVER -

FIRST: Said oil shall become the property of Phillips upon the delivery thereof to it or to any common carrier pipe line, person, firm or corporation designated by Phillips to receive said oil for its account.

SECOND: Oil purchased and received under (a) above, shall be paid for to the signatory parties, according to their respective interest shown above, at the price paid by Phillips for oil of the same grade and gravity in the same field or pool on the date oil is received. Phillips is hereby authorized to receive payment for oil sold and/or delivered under (b) above, and shall pay to the signatory parties, according to their respective interests, the same net price received by Phillips therefor. When necessary for Phillips to transport said oil by truck or other means of transportation from the property above described for delivery to a common carrier pipe line or to any person, firm or corporation designated by Phillips to receive said oil for its account, then Phillips is authorized to arrange for the transportation of said oil. Where oil is purchased and received under (a) above, Phillips is authorized to deduct proportionately from its payment to the signatory parties the transportation charges agreed upon between Phillips and the operator of said lease. Where oil is sold and/or delivered under (b) above, Phillips is authorized to deduct proportionately from its payment to the signatory parties the charges for such transportation.

THIRD: Phillips may refuse any oil which Phillips considers is not in its natural state or is not merchantable. In making settlement for oil: (1) deductions may be made for dirt, sediment and other impurities; (2) where a well produces oil after liquid hydrocarbons have been injected into the same for completion or reworking purposes, deductions may be made for an amount of oil equivalent to the amount of liquid hydrocarbons so injected; (3) adjustments may be made in accordance with accepted practices and rules, regulations and/or customs prevailing at the time and place of delivery. Before making payment to owners hereunder, there shall be deducted therefrom any severance, gross production, occupation or other tax imposed on the production or the purchase or sale of said oil.

FOURTH: Satisfactory evidence of signatory party's title to said oil shall be furnished at any time upon demand. If, in the opinion of Phillips, such party does not have good title to the interest claimed, or in case of adverse claim of title to the land from which said oil may be produced, or to which such oil is allocated under any unit operation, or to any of said oil, Phillips may withhold, without interest, the purchase price or proceeds of said oil, until indemnity satisfactory to Phillips has been furnished, or until such title is made acceptable to Phillips or until such adverse claim is settled to Phillips satisfaction.

FIFTH: Phillips is hereby relieved of any responsibility for determining if and when any of the interest attached set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payment from said interests, and the signatory parties whose interests are affected by such money or other payments, agree to give Phillips notice in writing addressed as set out on the front of this instrument, when any such money or other payments have been completed or discharged or when any division of interest other than that set forth shall for any reason, become effective and to furnish transfer orders accordingly. Each signatory party agrees to notify Phillips immediately in writing at Bartlesville, Oklahoma, of any change in ownership affecting such owner's interest and to furnish satisfactory proof thereof. Each working interest owner agrees to notify Phillips immediately in writing at Bartlesville, Oklahoma, of any change in ownership affecting any owner's interest, notice of which has been given to such working interest owner, and to furnish to Phillips the proof of such change as given to such working interest owner. In the event notice or notices required in this paragraph are not received by Phillips, the party failing to give such notice agrees to hold Phillips harmless from any damage or loss which may arise by reason of Phillips making payments to owners hereunder whose interests have changed.

SIXTH: Subject to the Fourth condition, settlement shall be made monthly, by mailing or delivering to the owners last known address a check or draft for the amount due on account of oil which has been run hereunder during the preceding calendar month. If at any settlement date, the amount payable to any party hereunder shall be less than Twenty Five Dollars, settlement may be deferred until Twenty Five Dollars or more is payable. Subject to the Fourth condition, upon termination of this agreement, payment shall be made to the respective parties entitled thereto regardless of the amount or amounts due.

SEVENTH: All parties hereto who are connected with the operation of the above described lease guarantee and warrant that all oil hereunder has not been or will not be produced or otherwise handled in violation of the Federal Fair Labor Standards Act of 1938 as heretofore or hereafter amended and all official regulations and orders issued thereunder, and that such oil has been and will be produced in accordance with the applicable laws and official rules and regulations.

EIGHTH: Each of the signatory parties who owns a royalty interest in the lands above described recognizes as valid and subsisting and in full force and effect all oil and gas leases of record held by the herein named working interest owners, which cover or purport to cover his (her) interest in said lands as well as the above mentioned pooled unit (if this division order covers a unit) and the same are hereby adopted, ratified and confirmed.

NINTH: This Division Order shall become valid and binding on each and every owner as attached as soon as signed, regardless of whether or not any of the other named owners shall have so signed, and shall be binding separately and not jointly upon the signatory parties their assigns and successors in interest, and shall insure to the benefit of Phillips, its assigns and successors. Authority of Phillips to purchase or sell oil hereunder is on a day-to-day basis only and, without prejudice to the rights of Phillips under other agreements, if any, this Division Order is terminable at will by either party.

PHILLIPS 66 COMPANY



**INSTRUCTIONS TO ALL INTEREST OWNERS
READ CAREFULLY BEFORE SIGNING THE INSTRUMENT(S)**

We are preparing to account for production from the lease(s) described in the attached Division/Transfer Order(s). Further correspondence will be eliminated and payment expedited if you will follow the instructions outlined below:

The attached instrument(s) should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

SIGNATURE: Sign name as shown on the instrument. Have your signature witnessed by at least one person not related to the party signing.

CORPORATIONS: If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of executing officer's authority must be submitted.

PARTNERSHIP: If signed for a partnership, all partners must sign unless signed by an authorized partner who has furnished a certified copy of his authority.

SIGNATURE BY SECOND PARTY: If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER: Insert your number in the space provided. Failure to furnish number will result in 20% withholding tax in accordance with federal law, and any tax withheld will not be refundable by Phillips.

MAILING ADDRESS: Check your mailing address carefully. If it is not correct then make the necessary changes. If it is not shown insert the correct address below your name. Please print or type the address, do not abbreviate.

LEASE NUMBER: In the right, top portion of the instrument you will find the number assigned to this lease. This number will also appear on the statement attached to your check and should always be used when corresponding with this company.

CHANGE OF ADDRESS: You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which appears on your check from this company) and your old address, then give your new address with zip code.

Return the executed instrument(s) without delay to the address below. Keep the indicated copy for your records.

PHILLIPS 66 COMPANY

DIVISION ORDERS

ATTN: B. W. WILLIAMS

BOX 5400

BARTLESVILLE, OKLAHOMA 74005

(918) 661-9248

***** PLEASE SEE REVERSE SIDE *****

FORM 12915-S 5-87

***** IMPORTANT TAX INFORMATION *****

PLEASE READ THIS BEFORE SIGNING YOUR DIVISION/TRANSFER ORDER!

We have been advised by the Internal Revenue Service that:

Section 3406 of the Internal Revenue Code requires that we withhold 20% in tax, called backup withholding, when you do not give us your correct Taxpayer Identification Number (TIN). Further, you may be subject to a \$50 penalty by the IRS under section 6721 of the Internal Revenue Code for failing to provide us with your correct TIN.

For individuals, the TIN is your Social Security Number (SSN). Very often a TIN is incorrect because of a name change due to marriage, divorce, adoption, or some other reason that has not been communicated to the Social Security Administration (SSA) and recorded on its records. Alternatively, the account may not contain the correct SSN of the actual owner. For example, an account in a child's name may contain a parent's SSN. An account should be titled in the name of the actual owner of the account with that person's SSN.

For most non-individuals (such as trusts, estates, partnerships, and similar entities), the TIN is the Employer Identification Number (EIN). The EIN on your account may be incorrect because it does not contain the number of the actual owner of the account. For example, an account of an investment club or bowling league should reflect the organization's own EIN and name rather than the SSN of a member. (The account of a sole proprietor who may have both an EIN and an SSN should reflect the individual name of the sole proprietor and his or her SSN.)

Please make sure the TIN you write on the Division/Transfer Order matches the name shown on the Division/Transfer Order. Should you have any doubts about the number and name matching, send us a copy of your Social Security card, Notice of Employer Identification Number (Form 8501), Application For Employer Identification Number (Form SS-4) or Notice of New Employer Identification Number Assigned (Form 5372).

***** IMPORTANT TAX INFORMATION *****



Phibro Energy USA, Inc.
2500 Allianz Financial Centre
2323 Bryan Street LB 185
Dallas, TX 75201
(214) 953-0330
(214) 953-1132/lax

Gathering Division

July 8, 1992

RE: 50421 - North Pembroke Spraberry
Tract 27
Upton County, Texas

Dear Owners:

Phibro Energy was designated as the purchaser of oil sold from the referenced lease effective April 1, 1992. Accordingly, division orders were issued April 21, 1992 based on information furnished us by the previous oil purchaser. We then found out the information furnished us was incorrect.

Enclosed is a revised division order for your execution. Please execute before two witnesses (Corporations must attest), enter your tax identification number and return one copy to us.

Thank you for your attention to this matter.

Very truly yours,

PHIBRO ENERGY USA, INC.

A handwritten signature in cursive script that reads "Sue Clark".

Sue Clark
Division Order Analyst
(214) 855-1961

SC:ic

Enclosures

DIVISION ORDER

Lease No. 50421000

DATE JULY 08, 1992

To PHIBRO ENERGY USA, INC.
2500 Allianz Financial Centre
2323 Bryan, LB 185
Dallas, Texas 75201

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the PARKER & PARSLEY - N PEMBROOK SPR farm or lease, located in UPTON County/Parish, State of TEXAS more particularly described as follows:

NORTH PEMBROOK SPRABERRY UNIT - TRACT 27
Tract Name: Hopkins

SE/4 Section 42, Block 38, T-5-S, T&P RRC Survey, Upton County, Texas

Effective 7 a.m. APRIL 01, 1992 and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
50421000		FOR DIVISION OF INTEREST SEE REVERSE SIDE HEREOF.	

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL.

The following provisions apply to each interest owner (Owner) who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: Owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of the agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: Owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY / TAX I.D. NUMBER.

WITNESSES: July 16, 1992
Donna C. Harris
Joe Harris
SIGNATURE OF OWNER: MARJORIE T CONNELL & EC HARTMAN=CO-TSTE
BY: Marjorie T. Connell, Trustee
OWNER'S SOCIAL SECURITY OR IRS TAX ACCOUNT NUMBER 7338
FOR YOUR RECORDS
NOT TO BE RETURNED
E. C. Hartman Co. Trustee 7338

66628 R

Is your signature witnessed? ☒

Is your correct address shown? ☒

Include Zip Code ☒

LEASE NUMBER : 50421000
LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27
LOCATION : UPTON

OWNER NO.	INTEREST	CREDIT TO:		
** 11433	0.00032550 R	ROY D GOLSTON JR ET AL #441 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
11435	0.00016270 R	GMGF OIL ACCOUNT #3153 TEAM BANK-TRUSTEE P O BOX 99084 FORT WORTH	TX	76199
** 11439	0.00056960 R	JOHN W HERBERT EST #586-TEAM BK, JOHN W HERBERT & JOANNE S BILBY-TRUSTEES DRAWER 99084 FORT WORTH	TX	76199
11441	0.00016270 R	ANA GARDNER OSBORN P O BOX 4246 BRYAN	TX	77801
** 11451	0.00273450 R	ROBERT MOSBACHER P O BOX 201678 HOUSTON	TX	77216-167
11548	0.00117190 R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
11999	0.00047200 R	J. H. HERD P O BOX 130 MIDLAND	TX	79702
** 12003	0.00011780 R	JOHN J REDFERN JR ESTATE JOHN J REDFERN III-EXECUTOR P O BOX 50896 MIDLAND	TX	79710
12004	0.00011780 R	ROSALIND REDFERN P O BOX 2127 MIDLAND	TX	79702
12175	0.00729150 R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-020
** 15245	0.00161110 R	HOUSTON OIL & MINERALS CORP P O BOX 200771 HOUSTON	TX	77216
** 15270	0.00572470 O	AMERADA HESS CORPORATION P O BOX 910834 DALLAS	TX	75391-0834
** 15566	0.07109360 O	EXXON CORPORATION P O BOX 1547 HOUSTON	TX	77252-1547
24815	0.00097640 R	W E KREPS TRUST #1124 NCNB TX NATL BANK-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
30900	0.00023610 R	GENE C REDFERN P O BOX 50430 MIDLAND	TX	79710
30989	0.30000000 W	PARKER & PARSLEY DEVELOPMENT CO P O BOX 3178 MIDLAND	TX	79702-3178
33214	0.00073230 R	JOSEPHINE H CHOMAT FAMILY TR #6537 TEAM BANK & JOANNE H BILBY, CO-TRUSTEES P O DRAWER 99084 FT WORTH	TX	76199-0084

LEASE NUMBER : 50421000
 LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27
 LOCATION : UPTON TX

OWNER NO.	INTEREST	CREDIT TO		
34810	0.00048830 R	DON STEPHEN BURKET 1301 WOODLAND HILLS TYLER	TX	75701
34812	0.00048830 R	JOHN M BURKET JR 1705 TIMBERCREEK TYLER	TX	75703
34834	0.05158420 O	ROBERT G HALL 3116 LAMP POST LN OKLAHOMA CITY	OK	73120
34839	0.37500170 W	THELMA WHITSON HENSON 1204 SHIRLEY LN MIDLAND	TX	79701
34844	0.02579190 R	RALPH D SHEPLEY STAR RT A BOX 77C DRIPPING SPRINGS	TX	78620
37381	0.00195300 R	JOHN PERKINS III-TRUSTEE 7711 LOUIS PASTEUR #208 SAN ANTONIO	TX	78229
37953	0.00042720 O 0.00195310 R	WILMA HENTON LAFORGE ADDRESS UNKNOWN		
45590	0.00195300 R	EARL R BRUND JR 5211 WHITMAN MIDLAND	TX	79705
61441	0.07500170 W	CASS RESOURCES INC 300 CRESCENT CRT #1800 DALLAS	TX	75201
64291	0.00047200 R	LORETTA McDERMOTT MARSH ZHARRELL & LUPARDUS 901 W INDIANA #A MIDLAND	TX	79701
65078	0.00013020 R	EMIL MOSBACHER, III 1580 CANADA LN WOODSIDE	CA	94062
66061	0.00097640 R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66062	0.00097640 R	GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66063	0.00097640 R	JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66069	0.00322250 R	M E SINGLETON JR ESTATE G H SINGLETON & J S CLOYD, INDP CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66103	0.00195300 R	MIRIAM L. BROUDY 9 CLOVERLY CIRCLE EAST NORWALK	CT	06855-5356
66135	0.00911450 R	CAROLYN C. CHANEY 624 AMARILLO ABILENE	TX	79605-1014

LEASE NUMBER : 50421000
 LEASE NAME : N PEMBROOK SPRABERRY UNIT TR 27
 LOCATION : UPTON TX

OWNER NO.	INTEREST		CREDIT TO		
66628	0.01367170	R	MARJORIE T CONNELL & EC HARTMAN=CO-TSTE P O BOX 710 LAS VEGAS	NV	89125-0710
68508	0.00292960	D	RUTH V. FERGUSON DREWERY 3508 EUCLID AVE DALLAS	TX	75205-3214
68523	0.00097640	R	VALPEY FAMILY TRUST GLADYS M VALPEY-TRUSTEE 1724 PLAZA DE SAN JOAQUIN MODESTO	CA	95350-3549
68525	0.00911460	D	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON	TX	76012
68526	0.00292960	R	HUGH W FERGUSON JR TESTAMENTARY TRUST RUTH F DREWERY-TRUSTEE 3508 EUCLID AVE DALLAS	TX	75205-3214
68587	0.00911450	R	CORINNE C. LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM	87111
69013	0.00034180	R	ANN MORRISSEY 205 YODAKUM PKWY #286 ALEXANDRIA	VA	22304
69014	0.00014640	R	GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON	CO	80127
69015	0.00034180	R	PATRICIA MORRISSEY 205 YODAKUM PARKWAY 826 ALEXANDRIA	VA	22304
69016	0.00014640	R	RACHEL MORRISSEY MOYER P O BOX 249 SHAWNEE ON DELA	PA	18356-0249
69075	0.01367200	R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 PLANO	TX	75086-7417
79369	0.00013020	R	JOHN DAVID MOSBACHER 44 GRAHAMPTON LANE GREENWICH	CT	06830
79370	0.00013020	R	R BRUCE MOSBACHER 1580 CANADA LANE WOODSIDE	CA	94062
** 79374	0.00019540	R	BENNETT E SMULLYAN P O BOX 201678 HOUSTON	TX	77216
** 79375	0.00019540	R	CLINTON I SMULLYAN, JR P O BOX 201678 HOUSTON	TX	77216
	1.00000000				



Phibro Energy USA, Inc.
500 Dallas Ave., Suite 3200
Houston, TX 77002-4709
(713) 659-3525
(713) 646-5275/fax
3736083/telex

February 22, 1994

TO ALL OWNERS OF INTEREST

Re: 51326 - Cowden #1, 2, 3
Upton County, Texas

Dear Owner:

We are pleased to advise that Phibro Energy USA, Inc. has been designated oil purchaser for the referenced lease effective February 1, 1994. The new operator of this lease (MidPar L.P.) has requested that we assume the responsibility of making disbursements. Accordingly we have prepared and herewith enclose our division orders for your execution.

Please review the enclosed division order carefully for the correctness of your name and address. Any needed changes should be clearly printed on the front of the division order below your signature. You should then execute before two witnesses (corporations must attest), write in your federal tax identification number and return one copy to us in the enclosed envelope.

Thank you for your attention to this matter. Please do not hesitate to call the undersigned or Beverly Foley at 646-5366 should there be any questions.

Sincerely,

PHIBRO ENERGY USA, INC.

Sue Clark
Division Order Analyst
(713) 646-5368

Enclosures

DIVISION ORDER

To PHIBRO ENERGY USA, INC.
Gathering Division
500 Dallas Avenue, Suite 3200
Houston, Texas 77002

Lease No. 51326000
DATE FEBRUARY 18, 1994

MIDPARL.P.

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the

- COWDEN #1,2,3

property, located in UPTON County/Parish, State of TEXAS more particularly described as follows:

W/2 & SE/4 Section 38, Block 39, T-5-S, T&P RRC Survey, Upton County, Texas LIMITED from 7,130' to 8,470'

FEBRUARY 01, 1994

Effective 7 a.m. and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
51326000			FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL.

The following provisions apply to each interest owner (Owner) who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or before December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: Owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of the agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: Owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY/TAX I.D. NUMBER.

WITNESSES:

SIGNATURE OF OWNER

OWNER'S SOCIAL SECURITY C
IRS TAX ACCOUNT NUMBER

Jim Montoya
LaLynn Bessie

Marjorie I. Records
Robert J. Records

7338
7338

RECORDS
FOR YOUR RETURN
NOT TO BE RETURNED

Is your signature witnessed?

Is your correct address shown?

Include Zip Code

ACCOUNT NUMBER : 51526000
NAME : COWDEN #1,2,3
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
4808	0.14191853	W	LOUIS DREYFUS NATURAL GAS CORP P O BOX 850163 OKLAHOMA CITY	OK	73185-0163
7289	0.42575557	W	MIDPAR L P P O BOX 3178 MIDLAND	TX	79702-3178
7873	0.02358902	R	MILDRED H ANDERSON 901 BEDFORD MIDLAND	TX	79701
7874	0.00931910	W	GEORGE V ALLEN JR 3100 FOXHALL RD NW WASHINGTON	DC	20016
7879	0.00931920	W	JANE E ALLEN-FENSTER 3808 JOCELYN STREET NW WASHINGTON	DC	20015
10513	0.00093140	O	NORAH A GREEN TRUST 6/1585 AMERITRUST TEXAS N A & NORAH GREEN-TRUS P O BOX 951422 DALLAS	TX	75395-1422
10568	0.00093140	O	MARY E WESTON TRUST 6/1584 AMERITRUST TEXAS N A & NORAH GREEN-TRUS P O BOX 951422 DALLAS	TX	75395-1422
11292	0.00372570	R	MIKE KADANE TRUST P O BOX 5012 WICHITA FALLS	TX	76307
11548	0.00351560	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
** 11599	0.01981610	W	AMOCO PRODUCTION COMPANY P O BOX 299419 HOUSTON	TX	77299-0419
** 12175	0.00820310	R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-0201
* 14968	0.02343750	R	ATLANTIC RICHFIELD CO P O BOX 910355 DALLAS	TX	75391-0355
17966	0.00262101	W	ARLEN L EDGAR 414 W TEXAS #208 MIDLAND	TX	79701
19120	0.00044270	O	ANNIE LAURIE ATTAWAY P O BOX 7043 MIDLAND	TX	78708
28007	0.00781250	R	FRED W SHIELD & COMPANY 115 EAST TRAVIS ST #1442 SAN ANTONIO	TX	78205-1693
36096	0.11250000	W	HARDY OIL & GAS USA INC P O BOX 200284 HOUSTON	TX	77216-0284
36732	0.00098590	O	DEVON ENERGY CORPORATION (NEVADA) P O BOX 843559 DALLAS	TX	75284-5559



Phibro Energy USA, Inc.
500 Dallas Ave., Suite 3200
Houston, TX 77002-4709
(713) 659-3525
(713) 646-5275/fax
3736083/telex

February 22, 1994

TO ALL OWNERS OF INTEREST

Re: 51326 - Cowden #1, 2, 3
Upton County, Texas

Dear Owner:

We are pleased to advise that Phibro Energy USA, Inc. has been designated oil purchaser for the referenced lease effective February 1, 1994. The new operator of this lease (MidPar L.P.) has requested that we assume the responsibility of making disbursements. Accordingly we have prepared and herewith enclose our division orders for your execution.

Please review the enclosed division order carefully for the correctness of your name and address. Any needed changes should be clearly printed on the front of the division order below your signature. You should then execute before two witnesses (corporations must attest), write in your federal tax identification number and return one copy to us in the enclosed envelope.

Thank you for your attention to this matter. Please do not hesitate to call the undersigned or Beverly Foley at 646-5366 should there be any questions.

Sincerely,

PHIBRO ENERGY USA, INC.

Sue Clark
Division Order Analyst
(713) 646-5368

Enclosures

DIVISION ORDER

To **PHIBRO ENERGY USA, INC.**
 Gathering Division
 500 Dallas Avenue, Suite 3200
 Houston, Texas 77002

Lease No. **51326000**
 DATE **FEBRUARY 18, 1994**

MIDPARL P.

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the
- COWDEN #1,2,3

property, located in **UPTON** County/Parish, State of **TEXAS** more particularly described as follows:

W/2 & SE/4 Section 38, Block 39, T-5-S, T&P RRC Survey, Upton County, Texas LIMITED from 7,130' to 8,470'

FEBRUARY 01, 1994

Effective 7 a.m. and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
51326000			FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL.

The following provisions apply to each interest owner (Owner) who executes this agreement

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or before December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: Owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of the agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: Owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY/TAX I.D. NUMBER.

WITNESSES:

SIGNATURE OF OWNER

OWNER'S SOCIAL SECURITY C
IRS TAX ACCOUNT NUMBER

[Signature]

[Signature]

7338

Is your signature witnessed? ☒

Is your correct address shown? ☒

Include Zip Code ☒

LEASE NUMBER : 51026000
LEASE NAME : COWDEN #1,2,3
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
6808	0.14191853	W	LOUIS DREYFUS NATURAL GAS CORP P O BOX 850163 OKLAHOMA CITY	OK	73185-0163
7289	0.42575557	W	MIDPAR L P P O BOX 3178 MIDLAND	TX	79702-3178
7873	0.02358902	R	MILDRED H ANDERSON 901 BEDFORD MIDLAND	TX	79701
7874	0.00931910	W	GEORGE V ALLEN JR 3100 FOXHALL RD NW WASHINGTON	DC	20016
7879	0.00931920	W	JANE E ALLEN-FENSTER 3808 JOCELYN STREET NW WASHINGTON	DC	20015
10513	0.00093140	O	NORAH A GREEN TRUST 6/1585 AMERITRUST TEXAS N A & NORAH GREEN-TRUS P O BOX 951422 DALLAS	TX	75395-1422
10568	0.00093140	O	MARY E WESTON TRUST 6/1584 AMERITRUST TEXAS N A & NORAH GREEN-TRUS P O BOX 951422 DALLAS	TX	75395-1422
11292	0.00372570	R	MIKE KADANE TRUST P O BOX 5012 WICHITA FALLS	TX	76307
11548	0.00351560	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
** 11599	0.01981610	W	AMOCO PRODUCTION COMPANY P O BOX 299419 HOUSTON	TX	77299-0419
** 12175	0.00820310	R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-0201
* 14968	0.02343750	R	ATLANTIC RICHFIELD CO P O BOX 910355 DALLAS	TX	75391-0355
17966	0.00262101	W	ARLEN L EDGAR 414 W TEXAS #208 MIDLAND	TX	79701
19120	0.00044270	O	ANNIE LAURIE ATTAWAY P O BOX 7043 MIDLAND	TX	78708
28007	0.00781250	R	FRED W SHIELD & COMPANY 115 EAST TRAVIS ST #1442 SAN ANTONIO	TX	78205-1693
* 36096	0.11250000	W	HARDY OIL & GAS USA INC P O BOX 200284 HOUSTON	TX	77216-0284
* 56732	0.00098590	O	DEVON ENERGY CORPORATION (NEVADA) P O BOX 843559 DALLAS	TX	75284-3559

LEASE NUMBER : 51326000
LEASE NAME : COWDEN #1,2,3
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
45251	0.00786304	W	ARDEN R GROVER P O BOX 3666 MIDLAND	TX	79702
53564	0.00931910	W	GRAHAM ROYALTY LTD ATTN: JOANN LANDRY BOX 3134 COVINGTON	LA	70434-3134
56242	0.04630443	W	DCB OIL & GAS INC 3000 N GARFIELD #210 MIDLAND	TX	79705
56831	0.00093145	R	NORAH GST TRUST #8415208208 AMERITRUST TEXAS, CO-TRUSTEE P O BOX 951422 DALLAS	TX	75395-1422
56834	0.00093145	R	MARY GST TRUST #8415208306 AMERITRUST TEXAS, CO-TRUSTEE P O BOX 951422 DALLAS	TX	75395-1422
62568	0.02292500	R	MADORA C MORROW 700 MIRROR TERR NW #310 WINTER HAVEN	FL	33881
64873	0.01250000	W	ARCH PETROLEUM INC II-A FT WORTH CLUB TOWER 777 TAYLOR ST FT WORTH	TX	76102
65375	0.00039063	O	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS	TX	75225-7926
65377	0.00039064	O	MICHAEL GLENN ANDERSON P O BOX 4584 DALLAS	TX	75208-0584
66059	0.00078130	O	SARAH M. WOODWARD 9004 GLEN SPRINGS DR DALLAS	TX	75243-7512
66061	0.00104167	R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66062	0.00104167	R	GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66063	0.00104166	R	JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66065	0.00703130	R	RALPH H CUMMINS ROYALTY TRUST CORNELIA C BLAKE, TTEE 500 W 7TH #1213 FORT WORTH	TX	76102-4703
66067	0.00351565	R	WALTER R. BERGER, JR 612 WALL TOWERS WEST 200 W WALL ST MIDLAND	TX	79702
66068	0.00351565	R	WALTER R. BERGER MARITAL TRUST WALTER R. BERGER, SUCCESSION TTEE 200 W WALL ST MIDLAND	TX	79702

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TX

INTEREST	CREDIT TO
66069 0.00234380 R	K E SINGLETON JR ESTATE G H SINGLETON & J E CLOYD, INDF CO-EXE P O BOX 717 WAXAHACHIE TX 76165-0717
66155 0.01367187 R	CAROLYN C. CHANEY 624 AMARILLO ABILENE TX 79602
66628 0.02050780 R	MARJORIE T CONNELL & EC HARTMAN=CO-TSTE P O BOX 710 LAS VEGAS NV 89125-0710
68525 0.01367186 R	CONSTANCE C. FAUBER 1721 BROOKS ARLINGTON TX 76012
68587 0.01367187 R	CORINNE C. LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111
69075 0.02050780 R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 PLANO TX 75086-7417
71133 0.00039063 D	MELINDA ANDERSON DATES 4532 LORRAINE DALLAS 75205
80545 0.00044270 D	MAXINE FRY MCCULLOUGH 2207 HARVARD MIDLAND TX 79701
80546 0.00044270 D	E A MCCULLOUGH 145 BRIDGEWATER CIRCLE MIDLAND TX 79707
1.00000000	



Phibro Energy USA, Inc.
500 Dallas Ave., Suite 3200
Houston, TX 77002-4709
(713) 659-3525
(713) 646-5275/fax
3736083/telex

February 25, 1994

TO ALL OWNERS OF INTEREST

Re: 51328 - Connell #1, 3, 4
Upton County, Texas

Dear Owner:

We are pleased to advise that Phibro Energy USA, Inc. has been designated oil purchaser for the referenced lease effective February 1, 1994. The new operator of this lease (MidPar L.P.) has requested that we assume the responsibility of making disbursements. Accordingly we have prepared and herewith enclose our division orders for your execution.

Please review the enclosed division order carefully for the correctness of your name and address. Any needed changes should be clearly printed on the front of the division order below your signature. You should then execute before two witnesses (corporations must attest), write in your federal tax identification number and return one copy to us in the enclosed envelope.

Thank you for your attention to this matter. Please do not hesitate to call the undersigned or Beverly Foley at 646-5366 should there be any questions.

Sincerely,

PHIBRO ENERGY USA, INC.

Sue Clark
Division Order Analyst
(713) 646-5368

Enclosures

DIVISION ORDER

To **PHIBRO ENERGY USA, INC.**
 Gathering Division
 500 Dallas Avenue, Suite 3200
 Houston, Texas 77002

Lease No. **51328000**
 DATE **FEBRUARY 24, 1994**

MIDPARL.P.

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the
- CONNELL #1,3,4

property, located in **UPTON** County/Parish, State of **TEXAS** more particularly described as follows:

**S/2 & N/2 NW/4 Section 47, Block 39, T-5-S, T&P RRC Survey, Upton
 County, Texas LIMITED from 7,130' to 8,455'**

Effective 7 a.m. **FEBRUARY 01, 1994** and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
	51328000		FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL.

The following provisions apply to each interest owner (Owner) who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or before December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.


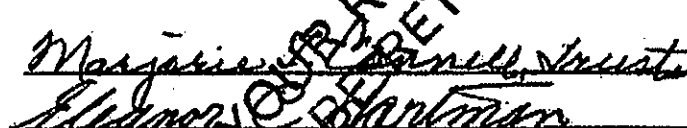
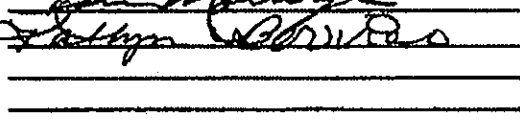
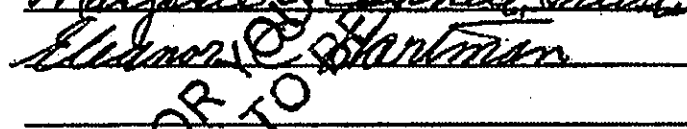
INDEMNITY: Owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of the agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: Owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY/TAX I.D. NUMBER.

WITNESSES:	SIGNATURE OF OWNER	OWNER'S SOCIAL SECURITY OR IRS TAX ACCOUNT NUMBER
		<u>7338</u>
		<u>7338</u>

Is your signature witnessed? ☒

Is your correct address shown? ☒

Include Zip Code ☒

INTEREST		CREDIT TO	
0.56269700	W	MIDPAR L P P O BOX 3178 MIDLAND	TX
0.02338220	W	MILDRED H ANDERSON 901 BEDFORD MIDLAND	TX
0.00923740	W	GEORGE V ALLEN JR 3100 FOXHALL RD NW WASHINGTON	DC
0.00175780	O	ROBERT MOSBACHER P O BOX 201678 HOUSTON	TX
0.00058590	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT
0.04990240	O	AMOCO PRODUCTION COMPANY P O BOX 299419 HOUSTON	TX
0.03125000	R		
0.00546870	R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX
0.02343750	R	ATLANTIC RICHFIELD CO P O BOX 910355 DALLAS	TX
0.00259800	W	ARLEN L EDGAR 414 W TEXAS #208 MIDLAND	TX
0.00208330	O	ANNIE LAURIE ATTAWAY P O BOX 7043 MIDLAND	TX
0.01822920	R	FRED W SHIELD & COMPANY 115 EAST TRAVIS ST #1442 SAN ANTONIO	TX
0.00098430	R	HARDY OIL & GAS USA INC P O BOX 200284 HOUSTON	TX
0.11151570	W		
0.00779410	W	ARDEN R GROVER P O BOX 3666 MIDLAND	TX
0.04589850	W	DCB OIL & GAS INC 3000 N GARFIELD #210 MIDLAND	TX
0.02272400	W	MADORA C MORROW 700 MIRROR TERR NW #310 WINTER HAVEN	FL
0.01250000	W	ARCH PETROLEUM INC II-A FT WORTH CLUB TOWER 777 TAYLOR ST FT WORTH	TX
0.00039060	R	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS	TX
0.00039060	R	MICHAEL GLENN ANDERSON P O BOX 4584 DALLAS	TX

OWNER NO. : 51323000
 NAME : CONNELL #1,3,4
 LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
66059	0.00117190	R	SARAH M WOODWARD 9004 GLEN SPRINGS DR DALLAS	TX	75243-7511
66061	0.00104160	R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66062	0.00104170	R	GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66063	0.00104170	R	JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66065	0.00703130	R	RALPH H CUMMINS ROYALTY TRUST CORNELIA C BLAKE, TTEE 500 W 7TH #1213 FORT WORTH	TX	76102-4783
66067	0.00351560	R	WALTER R. BERGER, JR 612 WALL TOWERS WEST 203 W WALL ST MIDLAND	TX	79701
66068	0.00351570	R	LEE V BERGER MARITAL TRUST CHARLES F BERGER, SUCCESSOR TTEE 6300 RIDGLEA FL #414 FORT WORTH	TX	76116
66069	0.00234370	R	M E SINGLETON JR ESTATE G H SINGLETON & J S CLOYD, INDP CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66135	0.00390630	R	CAROLYN COWDEN CHANEY 624 AMARILLO ABILENE	TX	79602
66628	0.00585940	R	MARJORIE T CONNELL & EC HARTMAN=CO-TSTE P O BOX 710 LAS VEGAS	NV	89125-0710
68525	0.00390630	R	CONSTANCE COWDEN FAUBER 1721 BROOKS ARLINGTON	TX	76012
68587	0.00390620	R	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM	87111
69075	0.00585940	R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 PLANO	TX	75086-7417
71133	0.00039060	R	MELINDA ANDERSON CATES 4532 LORRAINE DALLAS	TX	75205
80545	0.00208330	D	MAXINE FRY MCCULLOUGH 2207 HARVARD MIDLAND	TX	79701
80546	0.00208330	D	E A MCCULLOUGH 145 BRIDGEWATER CIRCLE MIDLAND	TX	79707

LEASE NUMBER : 51328000
LEASE NAME : CONNELL #1,3,4
LOCATION : UPTON

TX

OWNER NO.	INTEREST	CREDIT TO		
80592	0.00923740 W	RICHARD ALLEN 4715 CUMBERLAND AVE CHEVY CHASE	MD	20815-3400
80593	0.00923740 W	JANE E ALLEN 3808 JOCELYN ST NW WASHINGTON	DC	20015
	1.00000000			



Phibro Energy USA, Inc.
500 Dallas Ave., Suite 3200
Houston, TX 77002-4709
(713) 659-3525
(713) 646-5275/fax
3736083/telex

February 25, 1994

TO ALL OWNERS OF INTEREST

Re: 51329 - Connell #5
Upton County, Texas

Dear Owner:

We are pleased to advise that Phibro Energy USA, Inc. has been designated oil purchaser for the referenced lease effective February 1, 1994. The new operator of this lease (MidPar L.P.) has requested that we assume the responsibility of making disbursements. Accordingly we have prepared and herewith enclose our division orders for your execution.

Please review the enclosed division order carefully for the correctness of your name and address. Any needed changes should be clearly printed on the front of the division order below your signature. You should then execute before two witnesses (corporations must attest), write in your federal tax identification number and return one copy to us in the enclosed envelope.

Thank you for your attention to this matter. Please do not hesitate to call the undersigned or Beverly Foley at 646-5366 should there be any questions.

Sincerely,

PHIBRO ENERGY USA, INC.

Sue Clark
Division Order Analyst
(713) 646-5368

Enclosures

DIVISION ORDER

Lease No. 51329000

DATE FEBRUARY 24, 1994

To PHIBRO ENERGY USA, INC.
Gathering Division
500 Dallas Avenue, Suite 3200
Houston, Texas 77002

MIDPARL.P.

Each of the undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the

- CONNELL #5

property, located in UPTON County/Parish, State of TEXAS more particularly described as follows:

S/2 NW/4 Section 47, Block 39, T-5-S, T&P RRC Survey, Upton County,
Texas LIMITED from 7,130' to 8,455'

FEBRUARY 01, 1994

Effective 7 a.m. and until further written notice, subject to the conditions, covenants and directions hereof, Phibro Energy USA, Inc. (Payor), its successors and assigns, are authorized to receive and purchase such oil and to give credit to the following:

OWNER NO.	LEASE NO.	INTEREST	CREDIT TO NAME AND ADDRESS
51329000			FOR DIVISION OF INTEREST SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL.

The following provisions apply to each interest owner (Owner) who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deduction for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or before December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: Owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of the agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: Owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until a copy of the recorded instrument of change or documents satisfactorily evidencing such change are furnished to payor. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

IMPORTANT: NO PAYMENT WILL BE MADE UNTIL PHIBRO ENERGY USA, INC. HAS YOUR SOCIAL SECURITY/TAX I.D. NUMBER.

WITNESSES:

[Signature]
[Signature]

SIGNATURE OF OWNER

OWNER'S SOCIAL SECURITY /
IRS TAX ACCOUNT NUMBER

[Signature]
[Signature]
FOR YOUR RECORDS
NOT TO BE RETURNED

7938
7338

Is your signature witnessed? ☒

Is your correct address shown? ☒

Include Zip Code ☒

EX-107
00/20/94

7401

TEST NUMBER : 51029000
ACC NAME : CONNELL #5
LOCATION : UPTON

TX

LINE NO.	INTEREST		CREDIT TO		
7259	0.59002240	W	MIDPAR L F P O BOX 3178 MIDLAND	TX	79701-3178
* 11431	0.00175780	O	ROBERT MOSBACHER P O BOX 201678 HOUSTON	TX	77216-1678
11543	0.00058590	R	EMIL MOSBACHER, JR. 170 MASON ST GREENWICH	CT	06830
* 11599	0.04990240 0.03125000	D R	AMOCO PRODUCTION COMPANY P O BOX 299419 HOUSTON	TX	77299-0419
* 12175	0.00546870	R	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON	TX	77216-0201
* 14968	0.02343750	R	ATLANTIC RICHFIELD CO P O BOX 910355 DALLAS	TX	75391-0355
19120	0.00208330	D	ANNIE LAURIE ATTAWAY P O BOX 7043 MIDLAND	TX	78708
28007	0.01822920	R	FRED W SHIELD & COMPANY 115 EAST TRAVIS ST #1442 SAN ANTONIO	TX	78205-1693
* 36096	0.00098430 0.14097200	R W	HARDY OIL & GAS USA INC P O BOX 200284 HOUSTON	TX	77216-0284
56262	0.04733040	W	DCB OIL & GAS INC 3000 N GARFIELD #210 MIDLAND	TX	79705
62568	0.02272400	W	MADORA C MORROW 700 MIRROR TERR NW #310 WINTER HAVEN	FL	33881
64873	0.01577290	W	ARCH PETROLEUM INC II-A FT WORTH CLUB TOWER 777 TAYLOR ST FT WORTH	TX	76102
65375	0.00039060	R	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS	TX	75225-7926
65377	0.00039060	R	MICHAEL GLENN ANDERSON P O BOX 4584 DALLAS	TX	75208-0584
66059	0.00117190	R	SARAH M WOODWARD 9004 GLEN SPRINGS DR DALLAS	TX	75243-7512
66061	0.00104160	R	PHILLIP HILLHOUSE TRUST #504-03 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549
66062	0.00104170	R	GEORGE S HILLHOUSE TRUST #504-04 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-1549

LEASE NUMBER : 51329000
LEASE NAME : CONNELL #5
LOCATION : UPTON

TX

OWNER NO.	INTEREST		CREDIT TO		
66063	0.00104170	R	JAMES HILLHOUSE TRUST #504-02 NATIONSBANK TX-TRUSTEE P O BOX 841549 DALLAS	TX	75284-154'
66065	0.00703130	R	RALPH H CUMMINS ROYALTY TRUST CORNELIA C BLAKE, TTEE 500 W 7TH #1213 FORT WORTH	TX	76102-4782
66067	0.00351560	R	WALTER R. BERGER, JR 612 WALL TOWERS WEST 203 W WALL ST MIDLAND	TX	79701
66068	0.00351570	R	LEE V BERGER MARITAL TRUST CHARLES F BERGER, SUCCESSOR TTEE 6300 RIDGLEA PL #414 FORT WORTH	TX	76116
66069	0.00234370	R	M E SINGLETON JR ESTATE G H SINGLETON & J S CLOYD, INDF CO-EXC P O BOX 717 WAXAHACHIE	TX	76165-0717
66135	0.00390630	R	CAROLYN COWDEN CHANEY 624 AMARILLO ABILENE	TX	79602
66628	0.00585940	R	MARJORIE T CONNELL & EC HARTMAN=CO-TSTE P O BOX 710 LAS VEGAS	NV	89125-0710
68525	0.00390630	R	CONSTANCE COWDEN FAUBER 1721 BROOKS ARLINGTON	TX	76012
68587	0.00390620	R	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE	NM	87111
69075	0.00585940	R	ROBERT R OR FRANCES M MILLER REV TRUST P O BOX 867417 FLAND	TX	75086-7417
71133	0.00039060	R	MELINDA ANDERSON CATES 4532 LORRAINE DALLAS	TX	75205
80545	0.00208330	O	MAXINE FRY MCCULLOUGH 2207 HARVARD MIDLAND	TX	79701
80546	0.00208330	O	E A MCCULLOUGH 145 BRIDGEWATER CIRCLE MIDLAND	TX	79707
	1.00000000				

DIVISION ORDER

TO: MESA PIPE LINE COMPANY
1200 Smith Street, Suite 2950
Houston, Texas 77002-4501

PROPERTY NO.: 12025

EFFECTIVE: October 1, 1994

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil and related liquid hydrocarbons produced from the property described below:

OPERATOR: TSP OPERATING

PROPERTY NAME: Connell Estate (Well No. 2)

COUNTY: Upton STATE: Texas

DESCRIPTION: NW/4 of Section 32, Block 39,
T-5-S, T&P Ry. Co. Survey.

DEPTH: Limited from the surface to the base of the Dean
Sand Formation at approximately 9100 feet.

DO NOT EXECUTE --
THIS COPY
FOR YOUR RECORDS

OWNER NUMBER	PAYEE	DIVISION OF INTEREST	ROYALTY INTEREST
00451	Amoco Production Company	1/12 x 1/4	= .020833333
20120	Fred W. Shield and Company	1/24 x 1/4	= .010416667
29101	Walter R. Berger, Jr.	1/2 x 3/80 x 1/4	= .004687500
28472	Cornelia C. Blake, Trustee	3/80 x 1/4	= .009375000
29102	Lee V. Berger, Jr.	1/3 x 1/2 x 3/80 x 1/4	= .001562500
29103	Charles Frederick Berger	2/3 x 1/2 x 3/80 x 1/4	= .003125000
	Charles Frederick Berger, Trustee of the Lee V. Berger Marital Trust	NO INTEREST	= .000000000
29104	M. B. Singleton, Jr. Estate	1/80 x 1/4	= .003125000
29105	Sarah M. Woodward	1/160 x 1/4	= .001562500
29106	Carolyn Cowden Chaney	1/3 x 7/32 x 1/4	= .018229166
29107	Constance Cowden Fauber	1/3 x 7/32 x 1/4	= .018229167
29108	Corinne Cowden Law	1/3 x 7/32 x 1/4	= .018229167
29109	E. Hartman and Marjorie Connell Trustees of the W.N. and M.T. Connell Living Trust	7/64 x 1/4	= .027343750
29110	Emil Mosbacher, Jr.	3/640 x 1/4	= .001171875
02911	Robert Mosbacher	7/640 x 1/4	= .002734375
29111	Emil Mosbacher, III	1/3 x 1/2 x 2/640 x 1/4	= .000130208

ECA219

(See Reverse Hereof)

		<u>ROYALTY INTEREST</u> (cont'd)	
29112	R. Bruce Mosbacher	$1/3 \times 1/2 \times 2/640 \times 1/4$	= .000130208
29113	Bennett E. Smullyan	$1/2 \times 1/2 \times 2/640 \times 1/4$	= .000195313
29114	Clinton I. Smullyan, Jr.	$1/2 \times 1/2 \times 2/640 \times 1/4$	= .000195313
29115	John David Mosbacher	$1/3 \times 1/2 \times 2/640 \times 1/4$	= .000130208
29116	Maryland Myers Anderson	$1/3 \times 1/160 \times 1/4$	= .000520833
29117	Michael Glenn Anderson	$1/3 \times 1/160 \times 1/4$	= .000520833
29118	Melinda Anderson Cates	$1/3 \times 1/160 \times 1/4$	= .000520834
29119	NationsBank of Texas, N.A., Trustee of the George Shelton Hillhouse Trust	$1/3 \times 1/40 \times 1/4$	= .002083333
29120	NationsBank of Texas, N.A., Trustee of the James D. Hillhouse, IV Trust	$1/3 \times 1/40 \times 1/4$	= .002083333
29121	NationsBank of Texas, N.A., Trustee of the Philip Maverick Hillhouse Trust	$1/3 \times 1/40 \times 1/4$	= .002083334
29122	R.R. Miller or F.M. Miller, Trustees For Benefit of Robert R. Miller and F. Miller	$7/64 \times 1/4$	= .027343750
10584	North Central Oil Corporation	$7/160 \times 1/4$	= .010937500
<u>OVERRIDING ROYALTY INTEREST</u>			
29123	C. F. Qualia	$1.0\% \times 3/4$	= .007500000
29124	Wayne D. Miller	$1.0\% \times 3/4$	= .007500000
29125	Mercer 1987 Income Partnership		= .000984300
<u>WORKING INTEREST</u>			
		Before Payout	** After Payout
22035	Terry S. Fields	= .796515700	= .762296950
29126	Curtis Vaughn	NO INTEREST $6.25\% \times 54.75\%$	= .000000000 = .034218750
	Alton Oehler and Alberta Oehler	NO INTEREST	= .000000000 = .000000000
	Greg Oehler and Donna Oehler	NO INTEREST	= .000000000 = .000000000
	Ben A. Culpepper	NO INTEREST	= .000000000 = .000000000

* These interests are subject to change *after payout* has been reached. It is the responsibility of the Operator and/or the interest owners involved to notify Mesa Pipe Line Company in writing thirty (30) days prior to any changes in the method of payment due to payout. Mesa Pipe Line Company accepts no responsibility or liability for accounting for the date that payout will occur.

EGA220

MESA PIPE LINE COMPANY

1200 SMITH STREET, SUITE 2950

HOUSTON, TEXAS 77002

(713) 658-9673

TELECOPY: (713) 658-0997

December 6, 1994

RE: Lease No. 12025
Connell Estate, Well No. 2 Lease
Upton County, Texas

Dear Interest Owner:

You have heretofore received payment for your interest in the captioned property from Hydrocarbon Management, Inc. Effective with runs commencing October 1, 1994, Mesa Pipe Line Company will disburse proceeds from the sale of oil production.

Accordingly, enclosed herewith is Mesa's Division Order, prepared on the basis of information furnished us by TSF Operating, Operator of the captioned property. If you find your interest is correctly stated on the Division Order, please sign one copy in the presence of two witnesses and return it to this office for further handling.

Before returning the signed Division Order, please insert your correct mailing address and Social Security or Taxpayer Identification Number in the spaces provided on the Division Order. It is Mesa's policy not to place an interest in line for payment without the proper number.

Please do not hesitate to contact us if you have any questions.

Yours very truly,

MESA PIPE LINE COMPANY

Ed W. Richter

Ed W. Richter
Senior Title Analyst

EWR/llw
enclosures

cc: TSF Operating (w/division order)
P. O. Box 222
Midland, Texas 79702

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$25 may be accrued before disbursement until the total amount equals \$25 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Witnesses' Signature and Addresses	Signature of Interest Owner Mailing Address	Social Security/ Tax I.D. Number
<u>William K. Rush</u> 3124 W. Charleston L.V. NV 89122	<u>E. Hartman</u> P.O. Box 710 Las Vegas, NV 89125	<u>7338</u>
<u>Janet M. Everett</u> 3124 W. Charleston Blvd. Las Vegas, NV 89102-1953	<u>Marjorie Connell, Trustee</u> P.O. Box 710 Las Vegas, NV 89125	<u>7338</u>
<u>William K. Rush</u>		
<u>Janet M. Everett</u>		

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

Failure to furnish your Social Security/Tax I.D. Number will result in a withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.

DIVISION ORDER

TO: **MESA PIPE LINE COMPANY**
1200 Smith Street, Suite 2950
Houston, Texas 77002-4501

PROPERTY NO.: 12025

EFFECTIVE: October 1, 1994

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil and related liquid hydrocarbons produced from the property described below:

OPERATOR: TSP OPERATING

PROPERTY NAME: Connell Estate (Well No. 2)

COUNTY: Upton

STATE: Texas

DESCRIPTION: NW/4 of Section 32, Block 39,
T-5-S, T&P Ry. Co. Survey.

DEPTH: Limited from the surface to the base of the Dean
Sand Formation at approximately 9100 feet.

**DO NOT EXECUTE --
THIS COPY
FOR YOUR RECORDS**

<u>OWNER NUMBER</u>	<u>PAYEE</u>	<u>DIVISION OF INTEREST</u>	<u>ROYALTY INTEREST</u>
00451	Amoco Production Company	1/12 x 1/4	= .020833333
20120	Fred W. Shield and Company	1/24 x 1/4	= .010416667
29101	Walter R. Berger, Jr.	1/2 x 3/80 x 1/4	= .004687500
28472	Cornelia C. Blake, Trustee	3/80 x 1/4	= .009375000
29102	Lee V. Berger, Jr.	1/3 x 1/2 x 3/80 x 1/4	= .001562500
29103	Charles Frederick Berger	2/3 x 1/2 x 3/80 x 1/4	= .003125000
	Charles Frederick Berger, Trustee of the Lee V. Berger Marital Trust	NO INTEREST	= .000000000
29104	M. E. Singleton, Jr. Estate	1/80 x 1/4	= .003125000
29105	Sarah M. Woodward	1/160 x 1/4	= .001562500
29106	Carolyn Cowden Chaney	1/3 x 7/32 x 1/4	= .018229166
29107	Constance Cowden Fauber	1/3 x 7/32 x 1/4	= .018229167
29108	Corinne Cowden Law	1/3 x 7/32 x 1/4	= .018229167
29109	E. Hartman and Marjorie Connell Trustees of the W.N. and M.T. Connell Living Trust	7/64 x 1/4	= .027343750
29110	Emil Mosbacher, Jr.	3/640 x 1/4	= .001171875
02911	Robert Mosbacher	7/640 x 1/4	= .002734375
29111	Emil Mosbacher, III	1/3 x 1/2 x 2/640 x 1/4	= .000130208

(See Reverse Hereof)

		<u>ROYALTY INTEREST</u> (cont'd)	
29112	R. Bruce Mosbacher	$1/3 \times 1/2 \times 2/640 \times 1/4$	= .000130208
29113	Bennett E. Smullyan	$1/2 \times 1/2 \times 2/640 \times 1/4$	= .000195313
29114	Clinton I. Smullyan, Jr.	$1/2 \times 1/2 \times 2/640 \times 1/4$	= .000195313
29115	John David Mosbacher	$1/3 \times 1/2 \times 2/640 \times 1/4$	= .000130208
29116	Maryland Myers Anderson	$1/3 \times 1/160 \times 1/4$	= .000520833
29117	Michael Glenn Anderson	$1/3 \times 1/160 \times 1/4$	= .000520833
29118	Melinda Anderson Cates	$1/3 \times 1/160 \times 1/4$	= .000520834
29119	NationsBank of Texas, N.A., Trustee of the George Shelton Hillhouse Trust	$1/3 \times 1/40 \times 1/4$	= .002083333
29120	NationsBank of Texas, N.A., Trustee of the James D. Hillhouse, IV Trust	$1/3 \times 1/40 \times 1/4$	= .002083333
29121	NationsBank of Texas, N.A., Trustee of the Philip Maverick Hillhouse Trust	$1/3 \times 1/40 \times 1/4$	= .002083334
29122	R.R. Miller or F.M. Miller, Trustees For Benefit of Robert R. Miller and F. Miller	$7/64 \times 1/4$	= .027343750
10584	North Central Oil Corporation	$7/160 \times 1/4$	= .010937500
<u>OVERRIDING ROYALTY INTEREST</u>			
29123	C. F. Qualia	$1.0\% \times 3/4$	= .007500000
29124	Wayne D. Miller	$1.0\% \times 3/4$	= .007500000
29125	Mercer 1987 Income Partnership		= .000984300
<u>WORKING INTEREST</u>			
		<i>Before Payout</i>	<i>** After Payout</i>
22035	Terry S. Fields	= .796515700	= .762296950
29126	Curtis Vaughn	NO INTEREST $6.25\% \times 54.75\%$	= .000000000 = .034218750
	Alton Oehler and Alberta Oehler	NO INTEREST	= .000000000 = .000000000
	Greg Oehler and Donna Oehler	NO INTEREST	= .000000000 = .000000000
	Ben A. Culpepper	NO INTEREST	= .000000000 = .000000000

* These interests are subject to change *after payout* has been reached. It is the responsibility of the Operator and/or the interest owners involved to notify Mesa Pipe Line Company in writing thirty (30) days prior to any changes in the method of payment due to payout. Mesa Pipe Line Company accepts no responsibility or liability for accounting for the date that payout will occur.

OIL AND GAS DIVISION ORDER

Land/DO File No.: 2601-023D

TO: Parker & Parsley Development L.P.,
(its successors and assigns)
303 West Wall Avenue, Suite 101
P.O. Box 3178, Midland, Texas 79702
(915) 683-4768

Date: March 28, 1996
Property No.: 210246-000

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil and gas produced from the property described below:

OPERATOR: PARKER & PARSLEY DEVELOPMENT L.P.

Property Name: Connell "B"

County: Upton State: Texas

Legal Description: S/2 and N/2 NW/4 Section 47, Block 39, T-5-S, T&P Ry. Co. Survey, limited from 7130' to 8455'

SEE EXHIBIT "A"

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out on Exhibit "A" attached. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, not later than 60 days after the end of the calendar month in which oil production is sold and 90 days after the end of the calendar month in which gas is sold, from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser (unless the lease specifies a different time for payment, in which event the payment terms of the lease shall control). Payments of less than \$25 may be accrued before disbursement until the total amount equals \$25 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from any liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suite that affects the owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interests credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.



No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

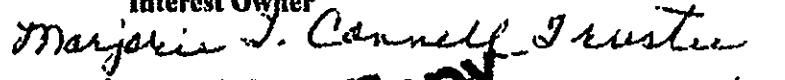

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Witnesses (2)

702-878-8698
Owner's Daytime Phone #

Signature of
Interest Owner


MARGARET J. CONNELL, TRUSTEE

ELEANOR HARTMAN, Co. TRUSTEE
7338
Soc. Sec. No./Tax I.D. No.

LEASE NAME: CONNELL B

COUNTY: UPTON

TX

OWNER NO	NAME ADDRESS AND TAX-ID	FRACTIONAL INTEREST	DECIMAL TYPE
001280	AMOCO PRODUCTION CO P O BOX 841521 DALLAS TX 75284-1521 6080	.03125000	RI
011886	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS TX 75225 7128	.00039060	RI
011896	MICHAEL GLENN ANDERSON P O BOX 4584 DALLAS TX 75208 4739	.00039060	RI
001805	ARCO OIL & GAS COMPANY P O BOX 910355 DALLAS TX 75391-0355 1610	.02343750	RI
090747	CHARLES FREDERICK BERGER 6300 RIDGLEA PL STE 414 FORT WORTH TX 76116 2537	.00234380	RI
090748	LEE V BERGER JR 6417 ORANGE BLOSSOM WAY AUSTIN TX 78744 2536	.00117190	RI
000812	WALTER R BERGER JR 612 WALL TOWERS WEST 203 W WALL ST MIDLAND TX 79701 5005	.00351560	RI
011891	HELINDA ANDERSON CATES PARKER & PARSLEY PETROLEUM CO FAO HELINDA CATES P O BOX 3178 MIDLAND TX 79702 5082	.00039060	RI
001141	CAROLYN C CHANEY 624 AHARILLO ABILENE TX 79605-1014 3444	.00390630	RI
005486	MARJORIE T CONNELL AND E C HARTMAN CO-TRS P O BOX 710 LAS VEGAS NV 89101-0710 1212	.00063720	RI
041374	WILLIAM & MARJORIE CONNELL LIVING TRST MARJORIE CONNELL & ELEANOR HARTMAN CO TRUSTEES P O BOX 710 LAS VEGAS NV 89125 17338	.00522220	RI
000802	RALPH H CUMMINS ROYALTY TRUST CORNELIA C BLAKE TRUSTEE 500 W 7TH ST STE 1213 FORT WORTH TX 76102-4783 9533	.00703130	RI
034001	DCB OIL & GAS INC 3000 N GARFIELD STE 210 MIDLAND TX 79701 2627	.04589850	RI
020846	CONSTANCE C FAUBER 1721 BROOKS ARLINGTON TX 76012 8643	.00390620	RI
011239	FRED W SHIELD AND COMPANY 115 E TRAVIS ST STE 1442 SAN ANTONIO TX 78205-1693 3570	.01822920	RI
000792	GEORGE SHELTON HILLHOUSE TRUST ACCT 50404 NCNB TEXAS TRUSTEE P O BOX 840738 DALLAS TX 75284-0738 7995	.00104160	RI
000796	JAMES D HILLHOUSE IV TRUST ACCT 50402 NCNB TEXAS TRUSTEE P O BOX 840738 DALLAS TX 75284-0738 2268	.00104170	RI

LEASE NAME: CONNELL B COUNTY: UPTON TX

OWNER NO	NAME ADDRESS AND TAX-ID	FRACTIONAL INTEREST	DECIMAL TYPE
000791	PHILLIP HILLHOUSE TRUST ACCT 50403 NCNB TEXAS TRUSTEE P O BOX 840738 DALLAS TX 75284-0738 4172		.00184170 RI
021596	CORINNE C LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111 8642		.00390630 RI
022362	ROBT & FRANCES MILLER REV TRST ROBERT & FRANCES MILLER TRS P O BOX 867417 PLANO TX 75086-7417 2454		.00585940 RI
014821	EMIL MOSBACHER III MELROSE SQ ON MELROSE AVE GREENWICH CT 06830 6829		.00006510 RI
021981	EMIL MOSBACHER JR P O BOX 29396 GENERAL POST OFFICE NEW YORK NY 10087-9396 3902		.00058580 RI
014822	JOHN DAVID MOSBACHER MELROSE SQUARE ON MELROSE AVE GREENWICH CT 06830 6802		.00006510 RI
014823	R BRUCE MOSBACHER 2200 SAND HILL RD STE 150 MENLO PARK CA 94025 6838		.00006510 RI
354300	ROBERT MOSBACHER 712 MAIN ST STE 2200 HOUSTON TX 77002-3290 8365		.00136720 RI
022071	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON TX 77216-0201 1408		.00546870 RI
000819	H E SINGLETON JR ESTATE GEORGE H SINGLETON & J S CLOYD & CNB WAXAHACHIE INDP EXEC P O BOX 717 WAXAHACHIE TX 76165-0717 3421		.00234370 RI
014826	BENNETT E SMULLYAN P O BOX 201678 HOUSTON TX 77216 3858		.00009770 RI
014827	CLINTON I SMULLYAN JR P O BOX 201678 HOUSTON TX 77216 3859		.00009770 RI
000787	SARAH M WOODWARD 9004 GLEN SPRINGS DR DALLAS TX 75243-7512 0122		.00117190 RI
TOTAL RI			.17194020 ****
001280	AMOCO PRODUCTION CO P O BOX 841521 DALLAS TX 75284-1521 6080		.04990240 ORR
096514	A LAWRENCE ATTAWAY 4915 ABBOTT DALLAS TX 75205 7663		.00069440 ORR
096515	BARBARA JEAN BARTON 4704 ST JOHNS DR DALLAS TX 75205 8634		.00069450 ORR
017254	E A MCCULLOUGH 107 WALLACE CIR MIDLAND TX 79707-6102 0625		.00208330 ORR

LEASE NAME: CONNELL B

COUNTY: UPTON

TX

OWNER NO	NAME ADDRESS AND TAX-ID	FRACTIONAL INTEREST	DECIMAL TYPE
022637	MAXINE FRY MCCULLOUGH 2207 HARVARD MIDLAND TX 79701 1434	.00208330	ORR
010771	HADORA BOWERS CLARK MORROW 700 MIRROR TERRACE NW #310 WINTER HAVEN FL 33081 5953	.02272400	ORR
096516	MARY JANE ROBINSON 16 COTTON CROSSING SAVANNAH GA 31411 8408	.00069440	ORR
		TOTAL ORR	.07887630 ****
041296	GEORGE V. ALLEN 3100 FOXHALL RD NW WASHINGTON DC 20016 .5264	.02771230	WI
041357	MILDRED H ANDERSON 901 BEDFORD MIDLAND TX 79701 0541	.02338220	WI
023856	ARCH PETROLEUM INC 777 TAYLOR ST STE IIA FORT WORTH TX 76102 8900	.01250000	WI
001845	ARLEN EDGAR 414 W TEXAS STE 208 MIDLAND TX 79701 4123	.00259800	WI
035204	ARDEN R GROVER 505 N BIG SPRING STE 503 P O BOX 3666 MIDLAND TX 79702 1680	.00779410	WI
045341	HARDY OIL & GAS USA INC P O BOX 200284 HOUSTON TX 77216-0284 0233	.11250000	WI
022397	LOUIS DREYFUS NATURAL GAS CORP P O BOX 960116 OKLAHOMA CITY OK 73196-0116 8614	.14067420	WI
032101	PARKER & PARSLEY DEV LP P O BOX 3178 MIDLAND TX 79702 8642	.42202270	WI
		TOTAL WI	.74918350 ****
		TOTAL INTEREST	1.00000000

OIL AND GAS DIVISION ORDER

Land/DO File No.: 2601-023D

TO: Parker & Parsley Development L.P.,
(its successors and assigns)
303 West Wall Avenue, Suite 101
P.O. Box 3178, Midland, Texas 79702
(915) 683-4768

Date: March 28, 1996
Property No.: 210246-000

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil and gas produced from the property described below:

OPERATOR: PARKER & PARSLEY DEVELOPMENT L.P.
Property Name: Connell "B"
County: Upton State: Texas
Legal Description: S/2 and N/2 NW/4 Section 47, Block 39, T-5-S, T&P Ry. Co. Survey, limited from 7130' to 8455'

SEE EXHIBIT "A"

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out on Exhibit "A" attached. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, not later than 60 days after the end of the calendar month in which oil production is sold and 90 days after the end of the calendar month in which gas is sold, from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser (unless the lease specifies a different time for payment, in which event the payment terms of the lease shall control). Payments of less than \$25 may be accrued before disbursement until the total amount equals \$25 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from any liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suite that affects the owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interests credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.



No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.


In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Witnesses (2)

12-878-8698
Owner's Daytime Phone #
5-14-96

Signature of
Interest Owner


MARJORIE J. CONNELL
V.E.C. Hartman & Co. Trustee
Printed/Typed Name
E.C. HARTMAN & CO. TRUSTEE
7338
Soc. Sec. No./Tax I.D. No.

Texas Statutory

NB/hb

LEASE NAME: CONNELL B

COUNTY: UPTON

TX

OWNER NO	NAME ADDRESS AND TAX-ID	FRACTIONAL INTEREST	DECIMAL TYPE
001280	AMOCO PRODUCTION CO P O BOX 841521 DALLAS TX 75284-1521 6080		.03125000 RI
011886	MARYLANE MYERS ANDERSON 7618 SOUTHWESTERN BLVD DALLAS TX 75225 7128		.00039060 RI
011896	MICHAEL GLENN ANDERSON P O BOX 4584 DALLAS TX 75208 4739		.00039060 RI
001805	ARCO OIL & GAS COMPANY P O BOX 910355 DALLAS TX 75391-0355 1610		.02343750 RI
090747	CHARLES FREDERICK BERGER 6300 RIDGLEA PL STE 414 FORT WORTH TX 76116 2537		.00234380 RI
090748	LEE V BERGER JR 6417 ORANGE BLOSSOM WAY AUSTIN TX 78744 2536		.00117190 RI
000812	WALTER R BERGER JR 612 WALL TOWERS WEST 203 W WALL ST MIDLAND TX 79701 5005		.00351560 RI
011891	MELINDA ANDERSON CATES PARKER & PARSLEY PETROLEUM CO FAO MELINDA CATES P O BOX 3178 MIDLAND TX 79702 5082		.00039060 RI
001141	CAROLYN C CHANEY 624 AMARILLO ABILENE TX 79605-1014 3444		.00390630 RI
005486	MARJORIE T CONNELL AND E C HARTMAN CO-TRS P O BOX 710 LAS VEGAS NV 89101-0710 1212		.00063720 RI
041374	WILLIAM & MARJORIE CONNELL LIVING TRST MARJORIE CONNELL & ELEANOR HARTMAN CO TRUSTEES P O BOX 710 LAS VEGAS NV 89125 7338		.00522220 RI
000802	RALPH H CUMMINS ROYALTY TRUST CORNELIA C BLAKE TRUSTEE 500 W 7TH ST STE 1213 FORT WORTH TX 76102-4783 9533		.00703130 RI
034001	DCB OIL & GAS INC 3000 N GARFIELD STE 210 MIDLAND TX 79701 2627		.04589850 RI
020846	CONSTANCE C FAUBER 1721 BROOKS ARLINGTON TX 76012 8643		.00390620 RI
011239	FRED W SHIELD AND COMPANY 115 E TRAVIS ST STE 1442 SAN ANTONIO TX 78205-1693 3570		.01822920 RI
000792	GEORGE SHELTON HILLHOUSE TRUST ACCT 50404 HCNB TEXAS TRUSTEE P O BOX 840738 DALLAS TX 75284-0738 7995		.00104160 RI
000796	JAMES D HILLHOUSE IV TRUST ACCT 50402 HCNB TEXAS TRUSTEE P O BOX 840738 DALLAS TX 75284-0738 2268		.00104170 RI

LEASE NAME: CONNELL B

COUNTY: UPTON

TX

OWNER NO	NAME ADDRESS AND TAX-ID	FRACTIONAL INTEREST	DECIMAL TYPE
000791	PHILLIP HILLHOUSE TRUST ACCT 50403 NCNB TEXAS TRUSTEE P O BOX 840738 DALLAS TX 75284-0738 4172	.00104170	RI
021596	CORINNE C LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111 8642	.00390630	RI
022362	ROBT & FRANCES MILLER REV TRST ROBERT & FRANCES MILLER TRS P O BOX 867417 PLANO TX 75086-7417 2454	.00585940	RI
014821	EMIL MOSBACHER III MELROSE SQ ON MELROSE AVE GREENWICH CT 06830 6829	.00006510	RI
021981	EMIL MOSBACHER JR P O BOX 29396 GENERAL POST OFFICE NEW YORK NY 10087-9396 3902	.00058580	RI
014822	JOHN DAVID MOSBACHER MELROSE SQUARE ON MELROSE AVE GREENWICH CT 06830 6802	.00006510	RI
014823	R BRUCE MOSBACHER 2200 SAND HILL RD STE 150 MENLO PARK CA 94025 6838	.00006510	RI
154300	ROBERT MOSBACHER 712 MAIN ST STE 2200 HOUSTON TX 77002-3290 8365	.00136720	RI
022071	NORTH CENTRAL OIL CORP P O BOX 200201 HOUSTON TX 77216-0201 1408	.00546870	RI
000819	M E SINGLETON JR ESTATE GEORGE H SINGLETON & J S CLOYD & CNB WAXAHACHIE INDP EXEC P O BOX 717 WAXAHACHIE TX 76165-0717 3421	.00234370	RI
014826	BENNETT E SMULLYAN P O BOX 201678 HOUSTON TX 77216 3858	.00009770	RI
014827	CLINTON I SMULLYAN JR P O BOX 201678 HOUSTON TX 77216 3859	.00009770	RI
000787	SARAH H WOODWARD 9004 GLEN SPRINGS DR DALLAS TX 75243-7512 0122	.00117190	RI
	TOTAL RI	.17194020	****
001280	AMOCO PRODUCTION CO P O BOX 841521 DALLAS TX 75284-1521 6080	.04990240	ORR
096514	A LAWRENCE ATTAWAY 4915 ABBOTT DALLAS TX 75205 7663	.00069440	ORR
096515	BARBARA JEAN BARTON 4704 ST JOHNS DR DALLAS TX 75205 8634	.00069450	ORR
017254	E A MCCULLOUGH 107 WALLACE CIR MIDLAND TX 79707-6102 0625	.00208330	ORR

D/O NO: 210246 000 G1 04/96 EXHIBIT "A" 3/28/96 PAGE 3

LEASE NAME: CONNELL B COUNTY: UPTON TX

OWNER NO NAME ADDRESS AND TAX-ID FRACTIONAL INTEREST DECIMAL TYPE

022637	MAXINE FRY MCCULLOUGH 2207 HARVARD MIDLAND TX 79701 1434		.00208330 ORR
010771	MADORA BOWERS CLARK MORROW 700 MIRROR TERRACE NW #310 WINTER HAVEN FL 33881 5953		.02272400 ORR
096516	MARY JANE ROBINSON 16 COTTON CROSSING SAVANNAH GA 31411 8408		.00069440 ORR
TOTAL ORR			.07887630 ****
041296	GEORGE V ALLEN 3100 FOXHALL RD NW WASHINGTON DC 20016 5264		.02771230 WI
041357	MILDRED H ANDERSON 901 BEDFORD MIDLAND TX 79701 0541		.02338220 WI
023856	ARCH PETROLEUM INC 777 TAYLOR ST STE 11A FORT WORTH TX 76102 18900		.01250000 WI
001845	ARLEN EDGAR 414 W TEXAS STE 208 MIDLAND TX 79701 4123		.00259800 WI
035204	ARDEN R GROVER 505 N BIG SPRING STE 503 P O BOX 3666 MIDLAND TX 79702 475-20-1680		.00779410 WI
045341	HARDY OIL & GAS USA INC P O BOX 200284 HOUSTON TX 77216-0284 0233		.11250000 WI
022397	LOUIS DREYFUS NATURAL GAS CORP P O BOX 960116 OKLAHOMA CITY OK 73196-0116 8614		.14067420 WI
032101	PARKER & PARSLEY DEV LP P O BOX 3178 MIDLAND TX 79702 8642		.42202270 WI
TOTAL WI			.74918350 ****
TOTAL INTEREST			1.00000000

Mazda - Conn. - E. Hardman 000 65720 RI
W. 71 + 712000 1000000 and
Mazda 9 E. Hardman 00522220 RI

Leadall 36 B 40

1947 signed by 4 Connells separated from below property

Mar 28 1996

Parker & Farley

S 1/2 NW 1/4 Dec 47 B 39 T 55

00522220 RI

00063720 RI

00585940 same interest as Mazda Mallet

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: 005481 - Exxon Cowden E
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

E/2 SECTION 31, BLOCK 38, TOWNSHIP 5 SOUTH, T&P RY. CO. SURVEY, AS TO DEPTHS
FROM THE DEPTH OF 7,300 FEET BELOW THE SURFACE DOWN TO THE BASE OF THE DEAN
FORMATION

Owner Name and Address:	SEE ATTACHED DIVISION OF INTEREST EXHIBIT	Owner Number: Type of Interest: Decimal Interest:
----------------------------	--	---

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo Crude Oil Marketing Company is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo Crude Oil Marketing Company may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$25.00, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Marjorie Connors, Trustee
Owner's Signature

Alana Connell Hartman Co Trustee
Owner's Signature

7338
Owner's Tax ID#/SS#

7338
Owner's Tax ID#/SS#

702-878-8698
Owner's Daytime Telephone #

702 658 6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

WELR782 NAVAJO REFINING COMPANY
 DIVISION OF INTEREST EXHIBIT
 LEASE NO: 5481 EFFECTIVE DATE: 05/96
 LEASE NAME: EXXON COWDEN E
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC.

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7938	ANNA R WOLF TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151610 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7940	WILLIAM WOLF FAMILY TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151629 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00362890	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00362890	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.01041670	RI
8586	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.01041670	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.01562500	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: 005479 - Exxon Cowden B
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

B-1 Well - NE/4 SECTION 37 FROM THE SURFACE DOWN TO THE DEPTH OF 9,130 FEET BELOW
THE SURFACE

B-2 Well - SE/4 SECTION 37 FROM THE SURFACE DOWN TO THE DEPTH OF 9,120 FEET BELOW
THE SURFACE

BLOCK 39, TOWNSHIP 5 SOUTH, T&P RY CO SURVEY

Owner Name and Address: **SEE ATTACHED
DIVISION OF INTEREST
EXHIBIT**

Owner Number:
Type of Interest:
Decimal Interest:

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo Crude Oil Marketing Company is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo Crude Oil Marketing Company may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$25.00, whichever occurs first, or as required by applicable state statute.

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In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Marjorie Cornell, Trustee
Owner's Signature

Eleanor C. Hartman, Co-Trustee
Owner's Signature

7338
Owner's Tax ID#/SS#

7338
Owner's Tax ID#/SS#

702-878-8698
Owner's Daytime Telephone #

702-658-6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31 % tax withholding and will not be refundable by Payor.

DIVISION OF INTEREST EXHIBIT
 LEASE NO: 5479 EFFECTIVE DATE: 05/96
 LEASE NAME: EXXON CONDEN B
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC.

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00441410	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00441410	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.01822920	RI
8586	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.01822920	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8589	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.02734370	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR
8595	ANN MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-3801	.00034180	RI
8597	PATRICIA MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-	.00034180	RI
8598	GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON CO 80127-	.00014650	RI

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: 005480 - Exxon Cowden D
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

BLOCK 38, TOWNSHIP 5 SOUTH, T&P RY. CO. SURVEY; SW/4 SECTION 31 (Exxon-Cowden D-1 Well);
AND NW/4 SECTION 31 (Exxon-Cowden D-2 Well); AS TO DEPTHS FROM THE DEPTH OF 7,300 FEET
BELOW THE SURFACE DOWN TO 100 FEET BELOW THE BASE OF THE DEAN FORMATION

Owner Name **SEE ATTACHED**
and Address: **DIVISION OF INTEREST**
EXHIBIT

Owner Number:
Type of Interest:
Decimal Interest:

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo Crude Oil Marketing Company is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo Crude Oil Marketing Company may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$25.00, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Marjorie Connell Trustee
Owner's Signature

Sharon Connell Hartman
Owner's Signature
Co-Trustee

7338
Owner's Tax ID#/SS#

7338
Owner's Tax ID#/SS#

702-878-8698
Owner's Daytime Telephone #

702 658 6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

WELR782 NAVAJO REFINING COMPANY
 D I V I S I O N O F I N T E R E S T E X H I B I T
 LEASE NO: 5480 EFFECTIVE DATE: 05/96
 LEASE NAME: EXXON COWDEN D
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC. PAGE 2

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7938	ANNA R WOLF TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151610 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7940	WILLIAM WOLF FAMILY TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151629 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00369920	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00369920	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.01041670	RI
8586	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.01041670	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.01562500	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR

**NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)**

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

Property Number/Name: 005479-001 - Exxon Cowden C
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

C-1 Well - SW/4 SECTION 37 FROM THE SURFACE DOWN TO THE BASE OF THE DEAN FORMATION.
BLOCK 39, TOWNSHIP 5 SOUTH, T&P RY. CO. SURVEY

**PLEASE KEEP FOR
YOUR RECORDS**

Owner Name and Address:	SEE ATTACHED DIVISION OF INTEREST EXHIBIT	Owner Number: Type of Interest: Decimal Interest:
----------------------------	--	---

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

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Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Margaret Connell, Trustee
Owner's Signature

Chasman C. Hartman Co-trustee
Owner's Signature

7338
Owner's Tax ID#/SS#

7338
Owner's Tax ID#/SS#

702-878-8698
Owner's Daytime Telephone #

702 658 6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

This Exhibit is attached and made of a part of this Division Order.

Lease #005479-001

It is understood that the crude oil under this Division Order for the Exxon Cowden -C- well lease #005479-001 is being commingled into the same tank battery as the Exxon Cowden -B- well lease #005479. By execution of this Division Order, the undersigned acknowledges that Navajo takes possession of the oil delivered, at the central battery location and has no independent means of verifying the source of oil delivered to it. For purposes of allocating such oil to each interest owner hereunder, the undersigned hereby authorizes Navajo to rely on statements of the source and quantity of all oil delivered hereunder, to be furnished by Tamarack Petroleum its successors and assigns; provided that Navajo shall never be responsible for any quantity of oil in excess of that delivered to it hereunder nor for its reliance upon the information furnished regarding the source of such oil. In consideration of Navajo distributing proceeds under this Division Order, the undersigned does hereby relieve Navajo of any loss, claim or liability incurred by its good faith performance hereunder, including its attorneys fees, and shall indemnify Navajo for such purpose.

D I V I S I O N O F I N T E R E S T E X H I B I T

LEASE NO: 5479 001
 LEASE NAME: EXXON COWDEN C
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC.

EFFECTIVE DATE: 05/96

=====		DIVISION OF TYPE	
OWNER	CREDIT TO	INTEREST	INTEREST
-----		-----	
7941 JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334		.00441400	OR
8549 PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-		.00441400	OR
8582 ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-		.00032550	RI
8585 CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319		.01822920	RI
8586 CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-		.01822920	RI
8587 MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-		.00195310	RI
8588 CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-		.02734370	RI
8593 RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214		.00439450	OR
8595 ANN MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-3801		.00034180	RI
8597 PATRICIA MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-		.00034180	RI
8598 GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON CO 80127-		.00014650	RI

~~11/28~~ changed # to 42

per.
M's Iweretta
Dev Order Dept.
O'Donnell

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: 005478 - Exxon Cowden-A/Exxon Cowden
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

NE/4 SECTION ^{42 me} 4, (Exxon-Cowden #1) FROM THE DEPTH OF 7,440 FEET BELOW THE SURFACE DOWN
TO THE BASE OF THE DEAN FORMATION; AND SW/4 SECTION 42, (Exxon-Cowden "A" #1) FROM THE
DEPTH OF 7,440 FEET BELOW THE SURFACE DOWN TO THE BASE OF THE DEAN FORMATION. BLOCK
38, TOWNSHIP 5 SOUTH, T&P RY CO. SURVEY

Owner Name and Address: **SEE ATTACHED
DIVISION OF INTEREST
EXHIBIT**

Owner Number:
Type of Interest:
Decimal Interest:

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

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In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Marjorie Connell Trustee
Owner's Signature

Eleanore Connell Hartman Co-Trustee
Owner's Signature

7338
Owner's Tax ID#/SS#

7338
Owner's Tax ID#/SS#

702-878-8698
Owner's Daytime Telephone #

702 658 6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

WELR782 NAVAJO REFINING COMPANY
 DIVISION OF INTEREST EXHIBIT
 LEASE NO: 5478 EFFECTIVE DATE: 05/96
 LEASE NAME: EXXON COWDEN-ANEXXON COWDEN
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC.

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7940	WILLIAM WOLF FAMILY TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151629 P O BOX 951416 DALLAS TX 75395-1416	.00079340	RI
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00450000	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00450000	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.00911460	RI
8586	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.00911460	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.01367190	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00292970	OR
8595	ANN MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-3801	.00034180	RI
8597	PATRICIA MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-	.00034180	RI

DIVISION ORDER

Married 1/5-96
COPY

Remuda Operating Company
301 N. Colorado, Ste 150
Midland, Texas 79701

Lease Number 123100 The above number will appear on all settlement checks and will be the only lease identification shown. It is important that you retain and record this number and lease description in your records.

The undersigned and each of them guarantee and warrant that the legal owners in the production set out below of oil produced and/or of gas sold from **Cowden "32"** lease, described as:

NE/4 and the SW/4 (336 acres) of Section 32, T-5-S, T&P RR Company Survey, Upton County, Texas.

in Upton County, State of Texas and commencing at 7:00 am April 1, 1996, subject to the Covenants appearing on the reverse side hereof, which same are binding upon the undersigned, their successors, legal representatives and assigns, you are authorized until further notice either from you or from us to receive oil therefrom, and to give credit for oil and/or gas proceeds as directed below:

CREDIT TO	DIVISION OF INTEREST	P.O. ADDRESS
<u>Royalty Interest</u>		
Cornelia C. Blake, Trustee	.00937500	500 West 7th St., Suite 1213 Fort Worth, Texas 76102-4727
Melinda Anderson Cates	.00052080	4532 Lorraine Dallas, Texas 75205
Carolyn Cowden Chaney	.01822910	624 Amarillo Street Abilene, Texas 79602
✓Wm. & Marjorie Connell Trust	.02734380	P.O. Box 710 Las Vegas, Nevada 89125
Constance Cowden Fauber	.01822910	1721 Brooks Arlington, Texas 76012
Republicbank First National Midland Trustee for Trust No. 504-04	.00208340	P.O. Box 841549 Dallas, Texas 75284-1549
Republicbank First National Midland Trustee for Trust No. 504-02	.00208330	P.O. Box 841549 Dallas, Texas 75284-1549
Republicbank First National Midland Trustee for Trust No. 504-03	.00208330	P.O. Box 841549 Dallas, Texas 75284-1549
Corinne Cowden Law	.01822910	6104 Parktree Place N.E. Albuquerque, New Mexico 87111
Emil Mosbacher, Jr.	.00093750	P.O. Box 29396 New York, NY 10087-9376
Emil Mosbacher, III	.00010420	Melrose Square on Melrose Ave, Greenwich, Ct 06830
John David Mosbacher	.00010420	Melrose Square on Melrose Ave Greenwich, Ct 06830
R. Bruce Mosbacher	.00010420	2200 Sandhill Road #150 Menlo Park, California 94025-6936

Y903

The undersigned certify and guarantee to Remuda Operating Company, herein called Remuda, that we are the owners of the interest set out opposite our name in oil and gas or the proceeds from the sale of oil and gas from the property as so described. Until further written notice either from Remuda or from us, Remuda is authorized to give credit as set forth for all proceeds derived from the sale of production from said property, subject to the following covenants, conditions and directions:

1. Oil sold hereunder shall be delivered f.o.b. to the carrier designated to gather and receive such oil and shall become Remuda's property upon receipt thereof by the carrier designated by Remuda or by any other purchaser to whom Remuda may resell such oil. The term "oil" as used in this division order shall include all marketable liquid hydrocarbons. Should the oil produced from the herein described land be commingled with oil produced from one or more other separately owned tracts of land prior to delivery to the designated carrier, the commingled oil sold hereunder shall be deemed to be the interest of the undersigned in that portion of the total commingled oil delivered which is allocated to the herein described land on the basis of lease meter readings or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of oil sold from each separately owned tract. Such formula shall be uniformly applied to all owners of an interest in the tracts of land involved. Should the interest of the undersigned in the oil produced from the herein described land be unitized with oil produced from one or more other tracts of land, this instrument shall thereafter be deemed to be modified to the extent necessary to conform with the applicable unitization agreement or plan of unitization, and all revisions or amendments thereto, but otherwise to remain in force and effect as to all other provisions. In such event, the portion of the unitized oil sold hereunder shall be the interest of the undersigned in that portion of the total unitized oil delivered which is allocated to the herein described land and shall be deemed for all purposes to have been actually produced from said land. Remuda agrees to pay for the oil sold hereunder at the price posted by Remuda for oil of the same grade and gravity in the same producing field or area on the date said oil is received by Remuda or the designated carrier. If Remuda does not currently post such a price, then until such time as Remuda does so, Remuda agrees to pay the price established by Remuda. Remuda is authorized to reduce the price by those truck, barge, tanker, or pipe line transportation charges as determined by Remuda. Should the oil sold hereunder be resold by Remuda to another purchaser accepting delivery thereof at the same point at which Remuda takes title, Remuda agrees to pay for such oil based upon the volume computation made by such purchaser and at the price received by Remuda for such oil, reduced by any transportation charges deducted by such purchaser. Quality and quantity shall be determined in accordance with the conditions specified in the price posting. Remuda may refuse to receive any oil not considered merchantable by Remuda.
2. Settlements for gas shall be based on the net proceeds at the wells, after deducting a fair and reasonable charge for compressing and making it merchantable and for transporting if the gas is sold off the property. Where gas is sold subject to regulation by the Federal Power Commission or other governmental authority, the price applicable to such sale approved by order of such authority shall be used to determine the net proceeds at the wells.
3. Settlements shall be made monthly by check mailed to the respective parties according to the division of interest herein specified at the latest address known by Remuda less any taxes required by law to be deducted and paid by Remuda applicable to owner's interest.
4. In the event any dispute or question arises concerning the title to the interest of the undersigned in said land and/or the oil or gas produced therefrom or the proceeds thereof, Remuda will be furnished satisfactory abstracts or other evidence of title upon demand. Until such evidence of title has been furnished and/or such dispute, defect, or question of title is corrected or removed to your satisfaction, or until indemnity satisfactory to Remuda has been furnished, Remuda is authorized to withhold the proceeds of such oil or gas received and run, without interest. In the event any action or suit is filed in any court affecting the title to the interest of the undersigned in the herein described land or the oil or gas produced therefrom or the proceeds thereof to which the undersigned is a party, written notice of the filing of such suit or action shall be immediately furnished Remuda by the undersigned, stating the court in which the same is filed and the title of such suit or action. Remuda will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof.
5. Whether or not any contingency is expressly stated in this instrument, Remuda is hereby relieved of any responsibility for determining when any of the interests herein shall increase, diminish, terminate, be extinguished or revert to other parties as a result of the completion or discharge of money or other payments from said interest, or as a result of the expiration of any time or term limitation (either definite or indefinite), and unless Remuda is also the operator of the property, as a result of an increase or decrease in production, or as a result of a change in the depth, the methods or the means of production, or as a result of a change in the allocation of production affecting the herein described land or any portion thereof under any agreement or by order of Governmental authority, and until Remuda receives notice in writing to the contrary Remuda is hereby authorized to continue to remit without liability pursuant to the division of interest shown herein.
6. Working Interest Owners and/or Operators, and each of them, by signature to this instrument, certify, guarantee and warrant for Remuda's benefit and that of any pipe line or other carrier designated to run or transport said oil or gas, that all oil or gas tendered hereunder has been and shall be produced from or lawfully allocated to the herein described land in accordance with all applicable Federal, state and local laws, orders, rules and regulations.

Cowden "32"- Division Order
Page 2

Emil Mosbacher 1978 Trust Robert Mosbacher, Trustee	.00218750	P.O. Box 201678 Houston, Texas 77216-1678
North Central Oil Corporation	.01093750	P.O. Box 200201 Houston, Texas 77216-0201
Fred W. Shield & Company	.01041670	115 E. Travis St, Suite 1442 San Antonio, Texas 78205
Bennett E. Smullyan	.00015630	P.O. Box 201678 Houston, Texas 77216-1678
Clinton I. Smullyan, Jr.	.00015630	P.O. Box 201678 Houston, Texas 77216-1678
Sarah M. Woodward	.00156250	9004 Glen Springs Drive Dallas, Texas 75243
Robert Reece Miller And France Rev Trust dated 5/03/91	.02734380	P.O. Box 867417 Plano, Texas 75086-7417
Hardy Oil & Gas USA, Inc.	.02812500	P.O. Box 200284 Houston, Texas 77216
Cloyd Singleton Estate	.00312500	P.O. Box 717 Waxahachie, Texas 75165
Amoco Production Co.	.02083330	P.O. Box 841521 Dallas, Texas 75284-1521
Marlane Myers Anderson	.00052080	7618 Southwestern Blvd Dallas, Texas 75225
Michael Glenn Anderson	.00052080	P.O. Box 4584 Dallas, Texas 75208
Arch Petroleum, Inc.	.00312500	777 Taylor Street, Penthouse 11-A Fort Worth, Texas 76102
Arco Permian, a unit of Atlantic Richfield Company	.03125000	P.O. Box 910355 Dallas, Texas 75391-0355
Lee Vincent Berger Marital Trust Charles F. Berger Trustee	.00468750	6300 Ridglea Place, Ste 414 Fort Worth, Texas 76116
Walter R. Berger, Jr.	.00468750	203 West Wall, Suite 612 Midland, Texas 79701
<u>Overriding Royalty Interest</u>		
Dorothy W. Montgomery	.00050000	1921 Chesham Drive Carrollton, Texas 75007
Zachry Oil & Gas Properties	.00625000	P.O. Box 80100 Midland, Texas 79708
<u>Working Interest</u>		
Hydrocarbon Energy, Inc.	.11250000	P.O. Box M-2017 Hoboken, NJ 07030
J. Michael Muckleroy	.00450000	102 Broad Oaks Circle Houston, Texas 77057

Donald P. Schoeder, Jr.	.00375000	P.O. Box 610148 Houston, Texas 77208
Melgerhei, Inc.	.16500000	P.O. Box 5623 Austin, Texas 78763
Comstock Oil & Gas Inc. Attn: Dean Kaster	.18500000	5005 LBJ Freeway, Suite 1000 Dallas, Texas 75244
Marc Briggs	.00750000	P.O. Box 579 Pleasanton, Texas 78064
Terry Fields	.02250000	P.O. Box 222 Midland, Texas 79702
Dale W. Beikirch	.01500000	P.O. Box 392 Midland, Texas 79702-0392
R E Glasscock	.01500000	P.O. Box 50215 Midland, Texas 79710
Remuda Operating Company	.21343750	301 N. Colorado Ste 150 Midland, Texas 79701

Witness of Signatures:

Charles E. Schelving
Anthony W. Stone

Owners Sign Below

Marjorie J. Connell, Trustee
Eleanor C. Hartman Co. Trustee
For the W.M. + Marjorie J. Connell Trust dated 5/18/92

Social Security Number or taxpayer Number
Trust Number
7338

Date 7-5-96

Be sure you show you correct mailing address and taxpayer identification number. If you are an individual, your **SOCIAL SECURITY NUMBER** is you identification number; if a Company or Estate, please furnish your employer identification number. PRINT OR TYPE - DO NOT ABBREVIATE.

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: 005480 - Exxon Cowden D
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

BLOCK 38, TOWNSHIP 5 SOUTH, T&P RY. CO. SURVEY, SW 1/4 SECTION 31 (Exxon-Cowden D-1 Well);
AND NW 1/4 SECTION 31 (Exxon-Cowden D-2 Well); AS TO DEPTHS FROM THE DEPTH OF 7,300 FEET
BELOW THE SURFACE DOWN TO 100 FEET BELOW THE BASE OF THE DEAN FORMATION

Owner Name and Address:	SEE ATTACHED DIVISION OF INTEREST EXHIBIT	Owner Number Type of Interest Decimal Interest:
----------------------------	---	---

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Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Marjorie Connell Trustee
Owner's Signature

Sharon Connell Hartman
Owner's Signature
Co. Trustee

7338
Owner's Tax ID/SS#

7338
Owner's Tax ID/SS#

702-878-8498
Owner's Daytime Telephone #

702-658-6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

ECA226

NELR782 NAVAJO REFINING COMPANY
 DIVISION OF INTEREST EXHIBIT
 LEASE NO: 5480 EFFECTIVE DATE: 05/96
 LEASE NAME: EXXON COWDEN D.
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC. PAGE 2
 =====
 OWNER NO. CREDIT TO DIVISION OF TYPE
 INTEREST INTEREST

7938	ANNA R WOLF TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151610 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7940	WILLIAM WOLF FAMILY TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151629 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00369920	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00369920	OR
8582	ROY D GOLDBTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.01041670	RI
8586	CORINNE COWDEN LAU 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.01041670	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.01562500	RI
8593	RUTH V F BREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR

ECA227

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: 005481 - Exxon Cowden E
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

E/2 SECTION 31, BLOCK 38, TOWNSHIP 5 SOUTH, T&P RY. CO. SURVEY, AS TO DEPTHS
FROM THE DEPTH OF 7,300 FEET BELOW THE SURFACE DOWN TO THE BASE OF THE DEAN
FORMATION

Owner Name and Address: **SEE ATTACHED
DIVISION OF INTEREST
EXHIBIT**

Owner Number:
Type of Interest:
Decimal Interest:

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo Crude Oil Marketing Company is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo Crude Oil Marketing Company may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$25.00, whichever occurs first; or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scurlock Permian Corporation.

Margaret Connell Trustee
Owner's Signature

Blaine Connell Hartman Co. Trustee
Owner's Signature

7338
Owner's Tax ID/SSH

7338
Owner's Tax ID/SSH

702-878-8698
Owner's Daytime Telephone #

702 658 6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

ECA228

WELR782 NAVAJO REFINING COMPANY
 DIVISION OF INTEREST EXHIBIT
 LEASE NO: 5481 EFFECTIVE DATE: 05/96
 LEASE NAME: EXXON COWDEN E
 OPERATOR: 900890 TAHARACK PETROLEUM CO., INC.

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7938	ANNA R WOLF TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151610 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7940	WILLIAM WOLF FAMILY TRUST AMERITRUST TEXAS NA TRE ACCT NO 4815151629 P O BOX 951416 DALLAS TX 75395-1416	.00130210	RI
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00362890	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00362890	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.01041670	RI
8586	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.01041670	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.01562500	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR

ECA229

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 746-3311
Fax: (505) 746-6410

Effective Date: May, 1996

PLEASE KEEP FOR
YOUR RECORDS

Property Number/Name: 005479 - Exxon Cowden B
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

B-1 Well - NE/4 SECTION 37 FROM THE SURFACE DOWN TO THE DEPTH OF 9,130 FEET BELOW
THE SURFACE

B-2 Well - SE/4 SECTION 37 FROM THE SURFACE DOWN TO THE DEPTH OF 9,120 FEET BELOW
THE SURFACE

BLOCK 39, TOWNSHIP 3 SOUTH, T&P RY CO SURVEY

Owner Name and Address:	SEE ATTACHED DIVISION OF INTEREST EXHIBIT	Owner Number: Type of Interest: Decimal Interest:
----------------------------	---	---

The undersigned certifies the ownership of the oil and mineral interest in production or proceeds as described
herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified in writing of any change in ownership, decimal
interest, or payment address. All such changes shall be effective the first day of the month following receipt
of such notice.

Navajo Crude Oil Marketing Company is authorized to withhold payment pending resolution of a title dispute
or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The
undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the
undersigned is not entitled.

Navajo Crude Oil Marketing Company may accrue proceeds until the total amount equals \$100.00 or pay
annually if the amount is greater than \$25.00, whichever occurs first, or as required by applicable state
statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee
or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain
statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their
Division Order upon the payment information of Suncoast Petroleum Corporation.

Margaret Connell Stewart
Owner's Signature

William C. Hartman, Co-trustee
Owner's Signature

7328
Owner's Tax ID/SSN

7328
Owner's Tax ID/SSN

702-878-8628
Owner's Daytime Telephone #

702-258-6026
Owner's Fax #

Federal Law requires you to furnish your Social Security or taxpayer identification Number. Failure to
comply will result in 31 % tax withholding and will not be refundable by Payor.

ECA221

DIVISION OF INTEREST EXHIBIT
 EFFECTIVE DATE: 05/96
 LEASE NO: 5479
 LEASE NAME: EXXON CONDEN B
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC.
 OWNER NO. CREDIT TO:

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79702-3334	.00441410	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00441410	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE CONDEN FAUBER 1721 BROOKS DR ARLINGTON TX 76012-2319	.01822920	RI
8586	CORINNE CONDEN LAU 6104 PARKTREE PL NE ALBUQUERQUE NM 87111-	.01822920	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06893-	.00195310	RI
	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.02734370	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR
8595	ANN MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-3801	.00034180	RI
8597	PATRICIA MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-	.00034180	RI
8598	GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON CO 80127-	.00014650	RI

ECA222

NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER
(INDEMNIFYING)

To: Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-6410

Effective Date: May, 1996

Property Number/Name: 005479-001 - Exxon Cowden C.
Operator: Tamarack Petroleum Co., Inc.

Property Description: Upton County, Texas

C-1 Well - SW/4 SECTION 37 FROM THE SURFACE DOWN TO THE BASE OF THE DEAN FORMATION.
BLOCK 39, TOWNSHIP 5 SOUTH, T&P RY. CO. SURVEY

PLEASE KEEP FOR
YOUR RECORDS

Owner Name and Address: **SEE ATTACHED
DIVISION OF INTEREST
EXHIBIT**

Owner Number:
Type of Interest:
Decimal Interest:

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Crude Oil Marketing Company.

Navajo Crude Oil Marketing Company shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo Crude Oil Marketing Company is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo Crude Oil Marketing Company may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$25.00, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: It is understood that Navajo Crude Oil Marketing Company has based their Division Order upon the payment information of Scumlook Permian Corporation.

Margaret Pennell, Trustee
Owner's Signature

Sharon C. Hartman Co-trustee
Owner's Signature

7338
Owner's Tax ID#/SS#

7338
Owner's Tax ID#/SS#

702-878-8698
Owner's Daytime Telephone #

702-658-6036
Owner's Fax #

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

ECA223

This Exhibit is attached and made of a part of this Division Order.

Lease #005479-001

It is understood that the crude oil under this Division Order for the Exxon Cowden -C- well lease #005479-001 is being commingled into the same tank battery as the Exxon Cowden -B- well lease #005479. By execution of this Division Order, the undersigned acknowledges that Navajo takes possession of the oil delivered, at the central battery location and has no independent means of verifying the source of oil delivered to it. For purposes of allocating such oil to each interest owner hereunder, the undersigned hereby authorizes Navajo to rely on statements of the source and quantity of all oil delivered hereunder, to be furnished by Tamarack Petroleum its successors and assigns; provided that Navajo shall never be responsible for any quantity of oil in excess of that delivered to it hereunder nor for its reliance upon the information furnished regarding the source of such oil. In consideration of Navajo distributing proceeds under this Division Order, the undersigned does hereby relieve Navajo of any loss, claim or liability incurred by its good faith performance hereunder, including its attorneys fees, and shall indemnify Navajo for such purpose.

ECA224

D I V I S I O N O F I N T E R E S T E X H I B I T

LEASE NO: 5479 001
 LEASE NAME: EXXON COWDEN C
 OPERATOR: 900890 TAMARACK PETROLEUM CO., INC.
 EFFECTIVE DATE: 05/96

OWNER NO.	CREDIT TO	DIVISION OF INTEREST	TYPE INTEREST
7941	JOHN SCHERER JR P O BOX 3334 MIDLAND TX 79708-3334	.00441400	OR
8549	PETER R SCHERER 4801 OAKWOOD COURT MIDLAND TX 79707-	.00441400	OR
8582	ROY D GOLDSTON JR ET AL TRUST TEAM BANK NA TRUSTEE ACCT 441 PO BOX 99084 FORT WORTH TX 76199-	.00032550	RI
8585	CONSTANCE COWDEN FAUBER 1781 BROOKS DR ARLINGTON TX 76012-2319	.01822920	RI
8586	CORINNE COWDEN LAU 6104 PARKTREE PL NE ALBUQUERQUE NH 87111-	.01822920	RI
8587	MIRIAM L BROUDY C/O LOUIS L BROUDY 18 BRIDGE ROAD WESTON CT 06883-	.00195310	RI
8588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS NV 89125-	.02734370	RI
8593	RUTH V F DREWERY 3508 EUCLID AVE DALLAS TX 75205-3214	.00439450	OR
8595	ANN MORRISSEY 205 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-3801	.00034180	RI
8597	PATRICIA MORRISSEY 805 YOAKUM PKWY NO 826 ALEXANDRIA VA 22304-	.00034180	RI
8598	GREGORY E MORRISSEY 6913 S OWENS ST LITTLETON CO 80127-	.00014650	RI

ECA225



CRUDE OIL MARKETING COMPANY

TELEPHONE
(505) 748-3311

< 159

Owner: CONNELL TRUST 5/18/72 008588
W N CONNELL & MARJORIE CONNELL 005478
PO BOX 710
LAS VEGAS, NV 89125

EASYLINK
62905278

FAX
(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P/L

Section 3406 of the Internal Revenue Code requires that we withhold 31 percent in tax, called backup withholding, if we do not have your correct taxpayer identification number (TIN) which is either your social security number or your employer identification number (EIN). Further you may be subject to a \$50 penalty by the IRS under Section 6721 of the IRC for failing to provide us with your correct TIN. Please indicate below the type of organization you are and your TIN and then sign and return this form to us at the above address to the Attention: Division Order Department. If you have any questions, please feel free to call (505) 748-3311 extension 297. Thank you.

INDIVIDUALS, SOLE PROPRIETORS

SSN.....
Name (as shown on your Social Security Card).....
Remember: If you are a sole proprietor who has both an EIN and SSN, you should reflect your SSN.

PARTNERSHIPS (TRUSTS) ESTATE AND SIMILAR ENTITIES

EIN..... 7338 -
Name (as shown on the IRS document assigning EIN)..... W N & MARJORIE T CONNELL
Remember: If an EIN has not been issued to the Estate, LIVING TRUST you should use the decedent's SSN. DATED 5-18-72
TRUST# 7338

CORPORATIONS

EIN.....
Name (as shown on the IRS document assigning EIN).....

CERTIFICATION -- Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Please Sign Here Marjorie T Connell Trust Date 8-17-96

William C Hartman Co - Trustee 8-17-96

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CRUDE OIL MARKETING COMPANY

EASYLINK
62905278

FAX

(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P/L

TELEPHONE
(505) 748-3311

X 159

Owne CONNELL TRUST 5/18/72 008588
W N CONNELL & MARJORIE CONNELL 005480
PO BOX 710
LAS VEGAS, NV 89125

Section 3406 of the Internal Revenue Code requires that we withhold 31 percent in tax, called backup withholding, if we do not have your correct taxpayer identification number (TIN) which is either your social security number or your employer identification number (EIN). Further you may be subject to a \$50 penalty by the IRS under Section 6721 of the IRC for failing to provide us with your correct TIN. Please indicate below the type of organization you are and your TIN and then sign and return this form to us at the above address to the Attention: Division Order Department. If you have any questions, please feel free to call (505) 748-3311 extension 297. Thank you.

INDIVIDUALS, SOLE PROPRIETORS

SSN.....
Name (as shown on your Social Security Card).....
Remember: If you are a sole proprietor who has both an EIN and SSN, you should reflect your SSN.

PARTNERSHIPS, TRUSTS, ESTATE AND SIMILAR ENTITIES

EIN..# 7338
Name (as shown on the IRS document assigning EIN) W.N. & MARJORIE T. CONNELL, LIVING TRUST
Remember: If an EIN has not been issued to the Estate, DATED 5-18-72
you should use the decedent's SSN. TRUST # 7338

CORPORATIONS

EIN.....
Name (as shown on the IRS document assigning EIN).....

CERTIFICATION -- Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Please Sign Here Marjorie T. Connell Date 8-17-96
Trustee

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CRUDE OIL MARKETING COMPANY

TELEPHONE
(505) 748-3311

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159

EASYLINK
62905278

FAX

(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P / L

July 26, 1996

RE: Lease #005480 - Exxon Cowden D

NOTICE TO INTEREST OWNERS:

Navajo Crude Oil Marketing Company commenced purchasing crude oil from the captioned property effective May, 1996.

Based on the Scurlock Permian paysheets, which were furnished to us by the operator, we have prepared our Division Order and with this letter, we submit duplicate copies.

Since you are a new owner on our records, an instruction sheet for the proper method of signing Division Orders is enclosed.

It is requested that you review the Division Order and verify your interest. If your interest is correctly shown, please sign the Division Order and return one copy to this office. The extra copy is provided for your file.

Also enclosed is a Substitute W-9 form. Please complete the form and return it along with the signed Division Order, so that we may place your interest in line for payment.

If you have any questions, or we can be of assistance to you, please let us hear from you.

DIVISION ORDER DEPARTMENT

/ks

Enclosures

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INSTRUCTIONS TO ALL INTEREST OWNERS

IN ORDER TO ELIMINATE THE POSSIBILITY OF DELAYED PAYMENTS, PLEASE READ CAREFULLY BEFORE SIGNING THE ENCLOSED INSTRUMENT.

This Instrument should not be altered in any way unless it is accompanied by documentation which supports the change.

Please verify your interest, name and address which is shown on the Division of Interest Exhibit and attached to the Division Order. If they are correctly shown, sign your name and return one signed copy without delay to ATTN: DIVISION ORDER DEPARTMENT, NAVAJO CRUDE OIL MARKETING COMPANY, P.O. BOX 159, ARTESIA, NM 88211-0159. The RED stamped copy is for your file.

If your name has been changed, or there has been a recent change of ownership which is not reflected, it is requested that you make the change on the Instrument and attach a copy of a Marriage Certificate, Divorce Decree, Assignment, Warranty Deed, or other supporting documents to it.

If signing for a corporation, the title of the signatory party must be shown, as well as the corporate seal affixed.

If signing for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.

If signing for a party other than the named interest owner such as an agent, attorney-in-fact, etc., we must have documentation of that person's authority.

If signing for a life estate interest, all joint owners or remaindermen must sign.

Under Section 3406 of the Internal Revenue Code, you must certify your correct tax identification number or social security number as well as certify that you are not subject to backup withholding. Please complete the enclosed Substitute W-9 form and return it along with the signed order. Payment will not be made without your proper number.

In order to place your interest in line for payment on the 20th of any given month, the Instrument must be received by the first working day of each month. If it is received after the first working day, your interest will be placed in line for payment on the 20th of the following month.

If there is a change in your mailing address, notify us promptly in writing. Include your owner number which appears by your name on the order, also include your old as well as your new addresss with the zip code.

If you have any questions or we may be of assistance to you, please do not hesitate to contact us.



CRUDE OIL MARKETING COMPANY

TELEPHONE
(505) 748-3311

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159

EASYLINK
62905278

FAX

(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P / L

July 26, 1996

RE: Lease #005481 - Exxon Cowden E

NOTICE TO INTEREST OWNER:

Navajo Crude Oil Marketing Company commenced purchasing crude oil from the captioned property effective May, 1996.

Based on the Scurlock Permian paysheets, which were furnished to us by the operator, we have prepared our Division Order and with this letter we submit duplicate copies.

It is requested that you review the Division Order and verify your interest. If your interest is correctly shown, please sign the Division Order and return one copy to this office. The extra copy is provided for your file.

Since you are an active owner on our records your interest has been placed in a pay status. If we do not receive a signed Division Order from you by October 11, 1996, we will place your interest in a suspended status until such time as we do receive a signed copy.

If you have any questions, or if we can be of assistance to you, please let us hear from you.

DIVISION ORDER DEPARTMENT

/ks

Enclosures

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CRUDE OIL MARKETING COMPANY

TELEPHONE
(505) 748-3311

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159

EASYLINK
62905278

FAX
(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P / L

August 2, 1996

RE: Lease #005479 - Exxon Cowden B

NOTICE TO INTEREST OWNER:

Navajo Crude Oil Marketing Company commenced purchasing crude oil from the captioned property effective May, 1996.

Based on the Scurlock Permian Corporation paysheets, which were furnished to us by the operator, we have prepared our Division Order and with this letter we submit duplicate copies.

It is requested that you review the Division Order and verify your interest. If your interest is correctly shown, please sign the Division Order and return one copy to this office. The extra copy is provided for your file.

Since you are an active owner on our records your interest has been placed in a pay status. If we do not receive a signed Division Order from you by November 11, 1996, we will place your interest in a suspended status until such time as we do receive a signed copy.

If you have any questions, or if we can be of assistance to you, please let us hear from you.

DIVISION ORDER DEPARTMENT

/mb

Enclosures

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CRUDE OIL MARKETING COMPANY

TELEPHONE
(505) 748-3311

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159

EASYLINK
62905278

FAX
(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P / L

August 2, 1996

RE: Lease #005479-001 - Exxon Cowden C

NOTICE TO INTEREST OWNERS:

Navajo Crude Oil Marketing Company commenced purchasing crude oil from the captioned property effective May, 1996.

Based on the Scurlock Permian Corporation paysheets, which were furnished to us by the operator, we have prepared our Division Order and with this letter, we submit duplicate copies.

Since you are a new owner on our records, an instruction sheet for the proper method of signing Division Orders is enclosed.

It is requested that you review the Division Order and verify your interest. If your interest is correctly shown, please sign the Division Order and return one copy to this office. The extra copy is provided for your file.

Also enclosed is a Substitute W-9 form. Please complete the form and return it along with the signed Division Order, so that we may place your interest in line for payment.

If you have any questions, or we can be of assistance to you, please let us hear from you.

DIVISION ORDER DEPARTMENT

/mb

Enclosures

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CRUDE OIL MARKETING COMPANY

TELEPHONE
(505) 748-3311

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159

EASYLINK
62905278

FAX

(505) 746-6410 ACCTG
(505) 746-6155 EXEC
(505) 748-9077 ENGR
(505) 746-4438 P / L

July 26, 1996

RE: Lease #005478 - Exxon Cowden-A/Exxon Cowden

NOTICE TO INTEREST OWNERS:

Navajo Crude Oil Marketing Company commenced purchasing crude oil from the captioned property effective May, 1996.

Based on the Scurlock Permian paysheets, which were furnished to us by the operator, we have prepared our Division Order and with this letter, we submit duplicate copies.

Since you are a new owner on our records, an instruction sheet for the proper method of signing Division Orders is enclosed.

It is requested that you review the Division Order and verify your interest. If your interest is correctly shown, please sign the Division Order and return one copy to this office. The extra copy is provided for your file.

Also enclosed is a Substitute W-9 form. Please complete the form and return it along with the signed Division Order, so that we may place your interest in line for payment.

If you have any questions, or we can be of assistance to you, please let us hear from you.

DIVISION ORDER DEPARTMENT

/ks

Enclosures

Serving . . . NEW MEXICO • ARIZONA • WEST TEXAS

INSTRUCTIONS TO ALL INTEREST OWNERS

IN ORDER TO ELIMINATE THE POSSIBILITY OF DELAYED PAYMENTS, PLEASE READ CAREFULLY BEFORE SIGNING THE ENCLOSED INSTRUMENT.

This Instrument should not be altered in any way unless it is accompanied by documentation which supports the change.

Please verify your interest, name and address which is shown on the Division of Interest Exhibit and attached to the Division Order. If they are correctly shown, sign your name and return one signed copy without delay to ATTN: DIVISION ORDER DEPARTMENT, NAVAJO CRUDE OIL MARKETING COMPANY, P.O. BOX 159, ARTESIA, NM 88211-0159. The RED stamped copy is for your file.

If your name has been changed, or there has been a recent change of ownership which is not reflected, it is requested that you make the change on the Instrument and attach a copy of a Marriage Certificate, Divorce Decree, Assignment, Warranty Deed, or other supporting documents to it.

If signing for a corporation, the title of the signatory party must be shown, as well as the corporate seal affixed.

If signing for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.

If signing for a party other than the named interest owner such as an agent, attorney-in-fact, etc., we must have documentation of that person's authority.

If signing for a life estate interest, all joint owners or remaindermen must sign.

Under Section 3406 of the Internal Revenue Code, you must certify your correct tax identification number or social security number as well as certify that you are not subject to backup withholding. Please complete the enclosed Substitute W-9 form and return it along with the signed order. Payment will not be made without your proper number.

In order to place your interest in line for payment on the 20th of any given month, the Instrument must be received by the first working day of each month. If it is received after the first working day, your interest will be placed in line for payment on the 20th of the following month.

If there is a change in your mailing address, notify us promptly in writing. Include your owner number which appears by your name on the order, also include your old as well as your new addresss with the zip code.

If you have any questions or we may be of assistance to you, please do not hesitate to contact us.

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INDEMNIFYING
NAVAJO REFINING COMPANY
NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER

To: Navajo Refining Company
Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-5283

Effective Date: AUGUST, 2002

COPY
Signed & Mailed
Oct 10, 2002

Property Number/Name: #40539-001 - DECK A WELL #1
Operator Name: TSF OPERATING

Property Description: UPTON COUNTY, TEXAS

NE/4 SECTION 47, BLOCK 39, TOWNSHIP 5 SOUTH, T & P RR CO SURVEY, SURFACE TO 8419'

Owner Name and Address:	SEE ATTACHED DIVISION OF INTEREST EXHIBIT	Owner Number: Type of Interest: Decimal Interest:
PLEASE DO NOT DETACH		

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Refining Company/Navajo Crude Oil Marketing Company herein referred to as Navajo.

Navajo shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$10.00, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned or the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and the Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: By execution of this Division Order, the undersigned agrees to indemnify and hold Navajo harmless based upon paysheets provided by Sunoco Partners Marketing & Terminals L.P.

Owner's Signature

Connell Trust 5/18/72
WN + Marjorie Connell, Trustee
Marjorie Connell, Trustee

Owner's SS#/Tax ID#

7338

Owner's Daytime Telephone #

(702) 878-8698

Owner's Fax #

Federal Law requires you furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 30% tax withholding and will not be refundable by Payor.

DATE: Thu Sep 26, 2002
TIME: 13:52:20

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 1 of 6

Lease: 00040539 Sub: 001 Name: DECK A WELL #1
3/L Comp: 84 Division: 50 Period: 08-2002 Username: anna
Operator: 033741 Name: TSP OPERATING

Owner	Name	Division Of Interest	Type Interest
000486	JOHNNY H VINSON 777 TAYLOR ST STE II-D FORT WORTH, TX 76102	0.00949221	RI
006290	NORTH CENTRAL OIL CORPORATION C/O POGO PRODUCING COMPANY P O BOX 2504 HOUSTON, TX 77252-2504	0.00546870	RI
006375	RICHARD E WEINBERG PO BOX 458 BELLAIRE, TX 77402	0.01041666	RI
008585	CONSTANCE COWDEN FAUBER 1721 BROOKS DR ARLINGTON, TX 76012-2319	0.00390620	RI
008586	CORINNE COWDEN LAW 6104 PARKTREE PL NE ALBUQUERQUE, NM 87111	0.00390630	RI
008588	CONNELL TRUST 5/18/72 W N CONNELL & MARJORIE CONNELL PO BOX 710 LAS VEGAS, NV 89125	0.00585940	RI
008614	CAROLYN COWDEN CHANEY 624 AMARILLO ST ABILENE, TX 79602-1014	0.00390630	RI

COPY

INDEMNIFYING
NAVAJO REFINING COMPANY
NAVAJO CRUDE OIL MARKETING COMPANY
OIL DIVISION ORDER

To: Navajo Refining Company
Navajo Crude Oil Marketing Company
P.O. Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311
Fax: (505) 746-5283

Effective Date: AUGUST, 2002

**PLEASE KEEP FOR
YOUR RECORDS**

Property Number/Name: #40539-001 - DECK A WELL #1
Operator Name: TSF OPERATING

Property Description: UPTON COUNTY, TEXAS

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This Division Order does not amend any lease or operating agreement between the undersigned or the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and the Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: By execution of this Division Order, the undersigned agrees to indemnify and hold Navajo harmless based upon paysheets provided by Sunoco Partners Marketing & Terminals L.P.

Owner's Signature	<u>Connell Trust 5-18-72</u> <u>W.N. + Marjorie Connell</u> <u>Marjorie Connell, Trustee</u>
Owner's SS#/Tax ID#	<u>7338</u>
Owner's Daytime Telephone #	<u>(702) 878-8698</u>
Owner's Fax #	<u></u>

Federal Law requires you furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 30% tax withholding and will not be refundable by Payor.

DATE: Thu Sep 26, 2002
TIME: 13:52:20

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 1 of 6

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008614	CAROLYN COWDEN CHANEY 624 AMARILLO ST ABILENE, TX 79602-1014	0.00390630	RI

DIVISION ORDER

TO: LPC Crude Oil, Inc.
P. O. Box 3821
Midland, Texas 79702

Lease No. TX1028700

Effective Date: June 1, 2006

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil produced from the CONNELL A well in UPTON, County TX, operated by MOMENTUM ENERGY CORPORATION, described as:

E/2 NE/4 SEC 36 BLK 39 T-5-S T&P RR CO SURVEY

From the effective date and until further written notice, and subject to the following provisions, you, or your designated agent, are authorized to receive such production and for the proceeds from the sale of oil in accordance with the division of interest set forth below. (The contents of the reverse side shall constitute a part of this division order.)

Owner No.	Lease No.	Interest	Type
1003988	TX1028700	0.02050780	RI

Credit To/Name and Address

MARJORIE T CONNELL & EC
P O BOX 710
LAS VEGAS NV 89125-0710

**SIGNATURE OF
WITNESS/ATTEST:**

Linda Vargas

SIGNATURE OF OWNER:

Marjorie T Connell, Trustee
BY: Eleanor Connell Hartman & Co

NAME: _____

TITLE: _____

YOUR TAX ID# 7338

OWNER'S REMITTANCE ADDRESS:

****IN ACCORDANCE WITH FEDERAL LAW 31% TAX WILL BE WITHHELD IF YOU DO NOT
PROVIDE YOUR SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER.**

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

Terms of Sale. The undersigned will be paid in accordance with the division of interests set out on the front page. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order.

Payment. From the effective date, payment is to be made monthly by payor's check, based on the division of interest for oil runs during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100.00 may be accrued before disbursement until the total amount equals \$100.00 or more, or until December 31 of each year, whichever occurs first. Owner agrees to refund payor any amounts attributable to an interest or part of an interest that owner does not own.

Indemnity. The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney's fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

Dispute; Withholding of Funds. If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim of a dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

Termination. Termination of this agreement is effective on the first day of the month that begins after the 30th day of the written notice of termination is received by either party.

Notices. The owner agrees to notify payor in writing of any changes in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed above unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this Division Order, an owner may have certain statutory rights under the laws of this state (where the subject property is located).

Exhibit 20

Dear Ellie

Nov 7. 1944

I am enclosing Division
Order from Prime Operating
Oil & Gas Co. to be signed. as
you can see I signed a - it
listed our Tax I.D. Number as
directed. I was not sure just
how you signed ^{name} you for the
original Division Order, so last
night I looked up the books &
you signed at Elmer C Hartman
Contractor he signs the enclosed
the same way & mail. The
two originals & send the
signed Copies back to me so
I can file it with the other
papers. Do this real soon because
we will not get paid until
Prime receives the signed papers.
Hope they drill a bunch & ++
would be a Nice Holiday
get!!

Hope you & Earl get home safe
& are rested up by now. Call
often I miss you travelers.

Love & Kisses,
Nanna

QDE EXHIBIT

K4

Exhibit 21

85167

VOL. 497 PG. 272

RETURN THIS COPY TO
TAMARACK PETROLEUM CO. INC.

P.O. BOX 2043

MIDLAND, TEXAS 79702

PRODUCERS 84 REV. TEX. C-PAID-UP (7-81)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 10th day of November, 1983

between Marjorie T. Connell and
Eleanor C. Hartman, Trustees of the W. N. Connell Living Trust dated 5/18/72herein called Lessor (whether one or more), and BOYD & MCWILLIAMS, 704 Western United Life Bldg., Midland, Tx. 79701

1. Lessor, in consideration of Ten and no/100- Dollars (\$ 10.00)
in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets
exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas, and all other minerals, including gas,
water, other fluids, and air this subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines,
storing oil, building tanks, power stations and lines, telephones lines, and other structures and things thereon to produce, save, take care of, treat, process, store and trans-
port said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in Upton
County, Texas, to-wit:

E/2 of Section 31, Block 38, T-5-S, T&P Ry. Co. Survey

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and conveyed to the same extent as if they were de-
scribed herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional
lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under
lease by Lessor or not and whether such additional lands be in the same survey or surveys. This is a lease in gross and not by the acre and the bonus
money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are set-

2. Without reference to the commencement, prosecution or completion at any time of drilling or other development operations, or to the discovery, development or pro-
duction at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of 320 18
months, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to
be delivered at the well or to the credit of Lessor in the pipeline to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any
expenses for treating oil to make it marketable as stated; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used on the
premises or in the manufacture of gasolines or other products therefrom, the market value at the mouth of the well of one-eighth of the gas so sold or used, provided
that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale; (c) on all other minerals, one-eighth of the proceeds realized therefrom;
time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of
this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any
governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas
within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty
in the amount of Three Hundred Twenty and no/100 Dollars (\$ 320.00)
per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or

tendered to Lessor or to his credit in the Bank of (City and State)

which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used
to pay any other sums, including royalties, due hereunder. 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 shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessee shall deliver to Lessor a recordable in-
strument making provision for another method of payment or tender. Any depositary charge in a liability of the Lessor. Any payment or tender of shut-in royalty made under
the terms of this lease may be made by check or draft of Lessee mailed or delivered in said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty
above indicated, the first payment of such shut-in royalty shall be due and payable on or before thirty (30) days following the date on which the well is shut-in, or if shut-
in during the primary term then on or before thirty (30) days following the expiration of the primary term, and subsequent payments, if required under the terms of
this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during
the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said pri-
mary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for
above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to
work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee
is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same
or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced
from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary
term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage
pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and
the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said
land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or
gas in paying quantities should be brought in on adjacent land and within 800 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reason-
able prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not manifestly exercised, in carrying out the purpose of this
lease shall be conclusive.

5. The successors and assigns of the Lessor, at any time and from time to time, and without Lessor's further consent, in hereby given, the right and
power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any
other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or
advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful author-
ity or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not ex-
ceeding forty (40) acres plus an acreage tolerance of ten per cent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance
of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units
larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage
or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with
the unit or units into which the lease is pooled or contained, as to any other strata or strata, and oil units need not conform as to area with gas units. The pooling in one
or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writ-
ing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may
be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the
payment of royalties, overriding royalties or payments out of production, or the existence of a shut-in gas well, shall be considered for all purposes, except the
whether or not the well or wells be located on the said lands, in like of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified.
Lessee shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, elsewhere herein specified,
acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties
with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder
contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on
the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage contained hereinabove specified or allowed. In the
event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and descrip-
tion of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally
created then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing there-
of. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may termi-
nate such unit and may re-allocate the acreage included in the unit to the unit or units then existing or to be created in the future.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited
to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee
shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and
remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors
and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish
the rights of Lessee or impair the effectiveness of any payment therefrom made by Lessee. No such change or division in the ownership of the land or royalties shall im-
pair the effectiveness of any payment therefrom made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or con-
structive knowledge thereof) until 90 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, con-
stituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as em-
ployed herein shall mean: any act of God including, but not limited to, storms, floods, washouts, landslides, and lightning; acts of the public enemy; wars, blockades, insur-
rections or uprisings; strikes or lockouts; epidemics or quarantines; regulations, laws, acts, orders or requests of federal, state, municipal or other governments or other governmental
agencies is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority. If
such drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling
operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of
ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and in-
operative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and
in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without
impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the
title mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately.
Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon
he party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or
mailing a release therefor in the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obli-
gations, covenants or implied, of this agreement as to the acreage so surrendered.

11. This lease, its covenants and conditions, shall be executed on the day and year first above written.

Page 1

293

11. Notwithstanding anything herein contained to the contrary:

(a) The provisions of Paragraph Three (3) hereof are amended by deleting therefrom all references to "one-eighth (1/8)" and by substituting in lieu thereof "one-fourth (1/4)", so that lessor shall reserve hereby as a royalty with respect to oil, gas and other hydrocarbons one-fourth (1/4) of the oil, gas and other hydrocarbons produced and saved from the land covered hereby.

(b) It is the intention of lessor to lease and the leasehold estate created hereby shall extend to, embrace and cover only oil, gas and other liquified and gaseous hydrocarbons, and all gaseous substances of whatsoever nature, together with other associated substances mined or refined as byproducts of or in connection with the production of oil, gas and other hydrocarbons.

(c) The provisions of paragraph three (3) hereof relating to the payment of shut in gas royalty with respect to gas wells shall not be effective to continue this lease in force and effect under such shut in gas clause provision for any period of time in excess of two (2) years beyond the date of the shutting in of any such gas well.

(d) It is understood and agreed that upon the expiration of the primary term hereof, lessee shall thereafter conduct a continuous drilling program on the lands covered by this lease, and this lease shall remain in full force and effect during such time as said continuous drilling program is being conducted by lessee. "Continuous drilling program" is defined herein to mean the continuous development of the lands covered hereby by lessee with not more than ninety (90) days elapsing between the completion of one well and the commencement of operations for the drilling of a succeeding well, until lessee has drilled one well on each 160 acre quarter section of the lands covered by this lease. If lessee shall fail to prosecute such continuous drilling program this lease shall terminate without any further liability on the part of lessee, as to each quarter section upon which no wells have been drilled and completed as a well capable of producing oil and/or gas in commercial quantities. For purposes of interpretation of this provision, a well shall be determined to be commenced when such well is spudded, and a well shall be determined to be completed on the date of the filing of the initial potential test with the Railroad Commission of Texas, if a productive well, or the date of the filing of the plugging report with said Commission, if a dry hole. Time between wells shall be cumulative so that any unused time may be added to the time for the commencement date of any subsequent well or wells. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells.

(e) It is understood and agreed that lessor is the owner and holder of the surface estate to the above described land and premises. Lessee, by acceptance hereof, agrees to pay the lessor as liquidated damages to the surface of the lands covered hereby in the event of development and operation on said lands, upon the following basis:

- | | |
|---|---------------------|
| A. For each well site | \$2,500.00 |
| B. For each tank battery site | \$1,500.00 |
| C. For each new road constructed by lessee | 16.00 per rod |
| D. For caliche obtained from the land covered hereby | 1.00 per cubic yard |
| E. For a pipeline or flow line 4" in diameter | 8.00 per rod |
| F. For a pipeline or flow line 6" in diameter | 12.00 per rod |
| G. The damage to any and all other surface areas used or occupied in connection with development and production to be agreed upon at the time of such occupation and use. | |

(f) It is understood and agreed that lessee will keep the premises clean around wells, storage tanks and pits and it is further understood and agreed that lessee will not use water from lessors' wells or surface tanks for lessee's operations without the written consent of lessor.

(g) Royalties payable under the term hereof shall be due and payable directly to the lessor. Lessee and any affiliate of Lessee shall at all times execute due diligence as the fiduciary agent for Lessor in the marketing of all products produced under the terms of this lease. In addition, Lessee assumes the individual responsibility to cause payments to commence of royalties within 75 days after the completion of a well. Payments thereafter shall be monthly with not more than 35 days between the production month end and payment for that month's sales of oil and 65 days between the production month end and payment for that month's sales of gas.

296

(h) For the drilling of the initial test well, its substitute or any subsequent test well, and upon obtaining commercial production of oil and gas, Lessor agrees that Lessee shall earn a 160 acre proration unit of uniform size and shape surrounding each well from the surface to 9000'. In the event the Lessee does not drill to a depth of 9000', then Lessee shall earn to 100' below the total depth drilled in that well's proration unit.

IN WITNESS WHEREOF, we sign the day and year first above written.

Marjorie T. Connell, Trustee
 MARJORIE T. CONNELL, TRUSTEE OF THE
 W. N. CONNELL LIVING TRUST DATED
 5/18/72
 SS# 1212

Eleanor C. Hartman, Trustee
 ELEANOR C. HARTMAN, TRUSTEE OF THE W. N.
 CONNELL LIVING TRUST DATED 5/18/72
 SS# 1044

STATE OF Nevada X
 COUNTY OF Clark X

This instrument was acknowledged before me on the 1st day of December, 1983, by MARJORIE T. CONNELL, TRUSTEE OF THE W.N. CONNELL LIVING TRUST DATED 5/18/72.

MY COMMISSION EXPIRES:

8-19-87

Wilberta M. Kammer
 NOTARY PUBLIC IN AND FOR THE STATE OF
Nevada

PRINT NAME: WILBERTA M. KAMMER
 Notary Public-State of Nevada
 Clark County
 MY APPOINTMENT EXPIRES AUG. 19, 1987

STATE OF Nevada X
 COUNTY OF Clark X

This instrument was acknowledged before me on the 1st day of December, 1983, by ELEANOR C. HARTMAN, TRUSTEE OF THE W. N. CONNELL LIVING TRUST DATED 5/18/72.

MY COMMISSION EXPIRES:

8-19-87

Wilberta M. Kammer
 NOTARY PUBLIC IN AND FOR THE STATE OF
Nevada

PRINT NAME: WILBERTA M. KAMMER
 Notary Public-State of Nevada
 Clark County
 MY APPOINTMENT EXPIRES AUG. 19, 1987

The State of Texas) I, Buena R. Coffee, Clerk of the County Court in and for said County,
 County of Upton) do hereby certify that the foregoing instrument dated 11/10/83
 with its certificate of authentication, was filed for record in my office
 the 13th day of January 19 84 at 10:08 o'clock A. M., and duly recorded on
 the 17th day of January 19 84 at 1:00 o'clock P. M. Instrument # 85167
 Vol. 497 Page 292 OGL
 \$ 7.00 Paid/Chex Receipt # 28444
 Return to: Tamarack Petroleum Co., INC.
Box 2046
Midland, Texas 79702

Records, Buena R. Coffee, Upton County Clerk
 BY Melissa Browning Deputy
 Compared by Suzie Brown Deputy

Signed 9/1/1984
Bank
2-1-85

THIS AGREEMENT made this 1st day of December, 1984, between Marjorie T. Connell and
Eleanor Marguerite Connell Hartman, Trustees of "The W. N. Connell and Marjorie T. Connell
Living Trusts" of P. O. Box 710, Las Vegas, Nevada 89125
 (Post Office Address)

herein called Lessor (whether one or more), and ATKINS PETROLEUM CORP., Lessee:

1. Lessor, in consideration of a valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas, ~~and other minerals~~, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in Upton County, Texas, to-wit:

NE/4 and SW/4 Section 32 and S/2 Section 44, Block 39, T-5-S, T&P RR Co.
Survey, Upton County, Texas, containing 671 acres, more or less.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the moles and bounds description and whether the same be held under lease by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 671 acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or ~~other minerals~~, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of ten (10) years from this date (called "primary term") and as long thereafter as oil, gas or ~~other minerals~~ are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, ~~one-eighth of that produced and saved from said land, same to be delivered at the well or to the credit of Lessor in the pipelines to which the wells may be connected; Lessee's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude;~~ (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of ~~one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale;~~ ~~one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale;~~ (c) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of ~~one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale;~~ ~~one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale;~~ (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of SIX HUNDRED SEVENTY-ONE AND NO/100 Dollars (\$ 671.00) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the Bank of Upton County, Texas.

which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns, Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. 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 shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessee shall deliver to Lessor a recordable instrument making provision for another method of payment or tender. Any depositary charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a pay-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or ~~other minerals~~ are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different well) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or ~~other minerals~~ are produced from said land or land pooled therewith. If production of oil, gas or ~~other minerals~~ on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 320 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonable prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee shall have the right, at any time and from time to time, and without Lessee's joining as parties hereto, to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, within the judgment of the Lessee, promotes the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten per cent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres plus an acreage tolerance of ten per cent (10%) of six hundred forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined, or to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereof of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessee shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalty with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage therein, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unit and may create another unit by filing for record in the county or counties where the land is situated a new designation and description of the unit.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall constitute knowledge thereof until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to, storms, floods, washouts, landslides, and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, services or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

12. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

13. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

14. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

15. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. Notwithstanding anything herein contained to the contrary:

(a) The provisions of paragraph three (3) hereof are amended by deleting therefrom all references to "one-eighth (1/8)" and by substituting in lieu thereof "one-fourth (1/4)," so that Lessor shall reserve hereby as a royalty with respect to oil, gas and other hydrocarbons one-fourth (1/4) of the oil, gas and other hydrocarbons produced and saved from the land covered hereby.

(b) It is the intention of Lessor to lease and the leasehold estate created hereby shall extent to, embrace and cover only oil, gas and other liquified and gaseous hydrocarbons, and all gaseous substances of whatsoever nature, together with other associated substances mined or refined as byproducts of or in connection with the production of oil, gas and other hydrocarbons.

(c) The provisions of paragraph three (3) hereof relating to the payment of shut in gas royalty with respect to gas wells shall not be effective to continue this lease in force and effect under such shut in gas clause provision for any period of time in excess of two (2) years beyond the date of the shutting in of any such gas well.

(d) It is understood and agreed that upon the expiration of the primary term hereof, Lessee shall thereafter conduct a continuous drilling program on the lands covered by this lease, and this lease shall remain in full force and effect during such time as said continuous drilling program is being conducted by Lessee. "Continuous drilling program" is defined herein to mean the continuous development of the lands covered hereby by Lessee with not more than ninety (90) days elapsing between the completion of one well and the commencement of operations for the drilling of a succeeding well, until Lessee has drilled one well on each 160-acre quarter section of the lands covered by this lease. If Lessee shall fail to prosecute such continuous drilling program, this lease shall terminate without any further liability on the part of Lessee, as to each quarter section upon which no wells has been drilled and completed as a well capable of producing oil and/or gas in commercial quantities. For purposes of interpretation of this provision, a well shall be determined to be commenced when such well is spudded, and a well shall be determined to be completed on the date of the filing of the initial potential test with the Railroad Commission of Texas, if a productive well, or the date of the filing of the plugging report with said Commission, if a dry hole. Time between wells shall be cumulative so that any unused time may be added to the time for the commencement date of any subsequent well or wells. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells.

(e) It is understood and agreed that Lessee will keep the premises clean around wells, storage tanks and pits and it is further understood and agreed that Lessee will not use water from Lessors' wells or surface tanks for Lessee's operations without the written consent of Lessor.

(f) Royalties payable under the terms hereof shall be due and payable directly to the Lessor. Lessee and any affiliate of Lessee shall at all times execute due diligence as the fiduciary agent for Lessor in the marketing of all products produced under the terms of this lease. In addition, Lessee assumes the individual responsibility to cause payments to commence of royalties within 75 days after the completion of a well. Payments thereafter shall be monthly with not more than 35 days between the production month end and payment for that month's sales of oil and 65 days between the production month end and payment for that month's sales of gas.

(g) For the drilling of the initial test well, its substitute or any subsequent test well, and upon obtaining commercial production of oil and gas, Lessor agrees that Lessee shall earn a 160-acre proration unit of uniform size and shape surrounding each well from the surface to 9300 feet. In the event the Lessee does not drill to a depth of 9000 feet, then Lessee shall earn to 100 feet below the total depth drilled in that well's proration unit.

IN WITNESS WHEREOF, we sign the day and year first above written.

1212
Social Security Number

Marjorie T. Connell, Trustee
MARJORIE T. CONNELL, Trustee of "The W. N. Connell and Marjorie T. Connell Living Trusts"


1044
Social Security Number

Eleanor Marguerite Connell Hartman, Trustee
ELEANOR MARGUERITE CONNELL HARTMAN, Trustee of "The W. N. Connell and Marjorie T. Connell Living Trusts"

THE STATE OF Nevada X
COUNTY OF Clark X

This instrument was acknowledged before me on the 1st day of February, 1984, by MARJORIE T. CONNELL, Trustee of "The W. N. Connell and Marjorie T. Connell Living Trusts."


Pauline M. Plenert
Print Name:
Notary Public in and for
The State of Nevada

My Commission Expires:
 NOTARY PUBLIC
STATE OF NEVADA
County of Clark
PAULINE M. PLENERT
My Appointment Expires Oct. 14, 1988

THE STATE OF Nevada X
COUNTY OF Clark X

This instrument was acknowledged before me on the 1st day of February, 1984, by ELEANOR MARGUERITE CONNELL HARTMAN, Trustee of "The W. N. Connell and Marjorie T. Connell Living Trusts."

Pauline M. Plenert
Print Name:
Notary Public in and for
The State of Nevada

My Commission Expires:
 NOTARY PUBLIC
STATE OF NEVADA
County of Clark
PAULINE M. PLENERT
My Appointment Expires Oct. 14, 1988

ROYALTY POOLING AGREEMENT

Reference is made to the following described Oil and Gas Leases, all dated May 8, 1979, in favor of Griffin & Burnett, Inc., as follows:

- (1) From Carolyn Cowden Chaney, et al, Lessors, recorded in Volume 460, page 11.
- (2) From William N. Connell, et al, Lessors, recorded in Volume 460, page 21.
- (3) From Eleanor Hopkins, Lessor, recorded in Volume 460, page 31,

insofar and only insofar as said leases cover the SE/4 of Section 32, Block 39, T-5-S, T&P Ry. Co. Survey, Upton County, Texas.

The undersigned own of record 7/64 of the oil and gas royalty in the E/2 of the SE/4 of said section and own no interest in said royalty in the W/2 of the SE/4 of said section.

For consideration and for the benefits to be derived herefrom, the undersigned do hereby pool, communitize and spread the above described royalty interest throughout the SE/4 of said section, as to the producing horizons only in the Wayman W. Buchanan-Connell Estate No. 1 well located approximately 1350' from the east line and 1325' from the south lines of said section 32. Said royalty shall be paid on a surface acreage basis so that during the term of the above described oil and gas leases the undersigned shall be entitled to 7/128 of the royalty provided in the above described leases as to any production from the above described well only, and further limited to the producing horizons in the above described well.

EXECUTED this 29th day of October, 1986, effective for purposes of production as of date of first runs.

Eleanor C. Hartman Co-Trustee
ELEANOR C. HARTMAN, Trustee

Marjorie T. Connell Trustee
MARJORIE T. CONNELL, Trustee

THE STATE OF TEXAS §
 §
COUNTY OF Midland §

THIS instrument was acknowledged before me on October 29, 1986, by ELEANOR C. HARTMAN, Trustee.

Bobbie Ward
Notary Public in and for
The State of Texas



THE STATE OF TEXAS §
COUNTY OF Midland §

THIS instrument was acknowledged before me on
October 29, 1986, by MARJORIE T. CONNELL, Trustee.

Bobbie Ward
Notary Public in and for
The State of Texas



BOBBIE WARD
Notary Public, State of Texas
My Commission Expires 8-22-89

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 4th day of June, 2001, between
W.N. & M.T. Connell Living Trust
Post Office Box 710
Las Vegas Nevada 89125

Lessor (whether one or more), whose address is:
and PrimeEnergy Management Corporation 2900 Wilcrest, #475 Houston TX 77042 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 Dollars
(\$ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto

Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take

care of, treat, transport and own said products, and housing its employees, the following described land in Upton County, Texas, to-wit:

SE/4 of Section 33, Block 39, T-5-S, T&P Ry. Co. Survey, from the surface
of the ground down to a depth of 9,150 feet only.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 6 months
and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

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

this lease if the wells were producing, and may be deposited in the

Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 3 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessor, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or in development and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units in which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties herein, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 3 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments are entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro-rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit, for to each separate tract within the unit if this lease covers separate tracts within the unit) that pro-rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from a gas well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessor commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessor in accordance with the terms hereof, may be divided by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or farm now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. 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.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time 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 in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing thereon any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended; and Lessee shall not be liable in damages for failure to comply therewith; 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 or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

SSN: _____
STATE OF _____
COUNTY OF _____
This instrument was acknowledged before me on the _____ day of _____, 19____.

SSN: _____
ACKNOWLEDGMENT

day of _____, 19____.

STATE OF _____
COUNTY OF _____
This instrument was acknowledged before me on the _____ day of _____, 19____.

Notary Public, State of Texas
Notary's name (printed): _____
Notary's commission expires: _____
ACKNOWLEDGMENT

day of _____, 19____.

STATE OF _____
COUNTY OF _____
This instrument was acknowledged before me on the _____ day of _____, 19____.

Notary Public, State of Texas
Notary's name (printed): _____
Notary's commission expires: _____
CORPORATE ACKNOWLEDGMENT

day of _____, 19____.

corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed): _____
Notary's commission expires: _____

Product 88 (4/78) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19____

No. Acres _____

County, Texas _____

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.

County Clerk _____ Deputy _____

By _____

When recorded return to _____

GROUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 559-9797

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 4th day of June 2001 between
W.N. & M.T. Connell Living Trust
Post Office Box 710
Las Vegas Nevada 89125

Lessor (whether one or more), whose address is: _____
and PrimeEnergy Management Corporation 2900 Wilcrest, #475 Houston TX 77042 Lessee, WITNESSETH: _____

1. LESSOR in consideration of Ten and no/100 Dollars
(\$ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures therein and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Houston County, Texas, to wit:

SE/4 of Section 33, Block 39, T-5-S, T&P Ry. Co. Survey, from the surface of the ground down to a depth of 9,150 feet only.

~~This term also covers and includes all land owned or claimed by, or adjacent or contiguous to the land particularly described above, whether the same be in said survey or in several surveys, although not included within the boundaries of the land particularly described above.~~

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 6 months more from this date, (called "primary term") and as long thereafter as oil, gas or other minerals is produced from said land or land with which said land is pooled or accreted.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines in which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it run in the pipe line or storage tanks, lessor's interest, in either case, to hear one-eighth of the cost of treating oil to render it marketable for line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-eighth of the amount realized from the sale of gasoline or other products collected therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor one-eighth of the amount realized and marketed by lessee from oil and condensate in kind or value at the well or mine or elsewhere, except that in any other mine and oil marketed the royalty shall be one dollar for each barrel of oil, at the expiration of the primary term or at any time or times thereafter, there to pay with or without any curtailment with which said land or any portion thereof has been provided, capable of producing oil or gas, and all such wells are shut-in, nevertheless, continue in force as though operations were being conducted on said land, for so long as said wells are shut-in, and the reason that lessee may be confined in force as to shut-in but occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow line, separator and lease tank, and it is not to be required to settle labor in order to be marketed gas upon terms unfavorable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make its payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under

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

[illegible]

AA 2192

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. 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.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other minerals in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time 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 in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; 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 or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

SSN:

SSN:

ACKNOWLEDGMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the
by

day of , 19

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the
by

day of , 19

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the
by
of
a

day of , 19

corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No.

Oil, Gas and Mineral Lease

FROM

TO

Dated

19

No. Acres

County, Texas

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

County Clerk

Deputy

When recorded return to

GROUND PRINTING & STATIONERY COMPANY
4703-C REICHARD, HOUSTON, TEXAS 77027 (713) 552-7777

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 4th day of June, 2001, between

W.N. & M.T. Connell Living Trust
Post Office Box 710
Las Vegas Nevada 89125

Lessor (whether one or more), whose address is: PrimeEnergy Management Corporation 2900 Wilcrest, #475 Houston TX 77042
and 77042 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 Dollars
(\$ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, ~~conveying across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take~~ care of, treat, transport and own said products, and housing its employees, the following described land in Upton County, Texas, to-wit:

SE/4 of Section 33, Block 39, T-5-S, T&P Ry. Co. Survey, from the surface
of the ground down to a depth of 9,150 feet only.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 6 months
and as long thereafter as oil, gas ~~or other minerals~~ is produced from said land ~~or from the well or wells in which said land is pooled hereunder~~.

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

this lease if the wells were producing, and may be deposited in the _____ or its successors, which shall continue as the depositories.

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

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit which the number of surface acres covered by this lease (or in each separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

PAID-UP

OIL AND GAS LEASE

This Agreement entered into this 20th day of June, 2001, between W.N. & M.T. CONNELL LIVING TRUST, individually and as Trustee P.O. BOX 710, LAS VEGAS, NEVADA 89125 as (LESSOR). PRIME ENERGY MANAGEMENT CORPORATION, 2900 WILCREST, #475, HOUSTON, TEXAS 77042 as (LESSEE).

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

SE/4 OF SECTION 33, BLOCK 39, T-5-S, T&P RY. CO. SURVEY, FROM THE SURFACE OF THE GROUND DOWN TO A DEPTH OF 9,150 FEET ONLY
UPTON COUNTY, TEXAS

(the "land") considered for all purposes of this lease as containing exactly 160 acres or less.

2. Subject to its other provisions, this lease shall be for a term of one (6) months, (the "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the land under the provisions of this lease and the royalties paid as hereinafter provided.

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

(a) As a royalty on oil, which is defined as all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate and other liquid hydrocarbons recovered from oil or gas runs through a separator or other equipment located on the land, one fourth (1/4) of the proceeds realized by Lessee from the sale of such oil at the point of sale.

(b) As a royalty on any gas, which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (a) above, produced from the land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of one fourth (1/4) of the gas so sold or used. Lessee agrees that before any gas produced is sold or used off the land, it will be run, free of cost to Lessor, through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered.

(c) Anything in subparagraphs (a) and (b) above to the contrary notwithstanding, Lessor may at any time, or from time to time, upon and not less than sixty (60) days written notice to Lessee, require that payment of any royalties provided for herein be made in kind. At such times as Lessor is not taking royalty gas in kind, the market value of gas sold at the wells by Lessee shall be conclusively presumed to be the price realized by Lessee for that gas.

(d) Any other provision herein contained to the contrary notwithstanding, the payment of royalties is a condition of this lease and shall be the individual obligation of Lessee and all royalties shall be paid commencing ninety (90) days after the last day of the month in which the initial sale of oil or gas produced from the land occurs, on oil on or before thirty (30) days after the last day of each month during which oil is produced and on gas on or before sixty (60) days after the last day of each month during which gas is produced.

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

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

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

7. The rights of either party may be assigned in whole or in part and the provisions of this lease shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the land, rentals or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

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

9. Lessor warrants and agrees to defend the title to the land against those claiming by, through or under it, but not otherwise. Without impairment of Lessee's rights under the warranty in the event of such failure of title, it is agreed that, if Lessor owns an interest in the land less than the entire fee simple estate, then the royalties, if any, to be paid Lessor shall be reduced proportionately.

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

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

12. Any other provision of this lease to the contrary notwithstanding, at the end of the primary term this lease shall terminate as to all of the land, except as to each proration unit allocated for production allowable purposes under the rules and regulations of the Railroad Commission of the State of Texas, or other governmental authority having jurisdiction to each well producing oil and/or gas in commercial quantities, and as to each such proration unit, as to all depths below the base of the deepest formation from which such production is being obtained on such proration unit unless Lessee commences the actual drilling of an additional well within 180 days of the first to occur of (i) the expiration of the primary term, or, (ii) the date that any well actually being drilled at the expiration of the primary term is completed, and thereafter Lessee shall continuously develop the land with no more than 180 days elapsing between the date one well is completed and the date the actual drilling of the next succeeding well commences, until the land has been drilled to the density necessary to obtain the maximum production allowable per well under the rules and regulations of the Railroad Commission of Texas, or other governmental authority having jurisdiction; upon the cessation of such continuous development, this lease shall terminate except as to each proration unit allocated as aforesaid, upon which a well is producing oil and/or gas in commercial quantities, and as to each proration unit as to all depths below the base of the deepest formation from which such production is being obtained on such proration unit. A well shall be deemed to have been completed on the first to occur (i) the date the completion report required by the Railroad Commission of the State of Texas or other governmental authority having jurisdiction is filed, or, (ii) thirty days after the drilling rig that drilled the relevant well is released.

13. Lessee shall adequately protect the oil and gas under the land from drainage from adjacent lands, and shall drill as many wells as a prudent operator would drill under similar circumstances and to the depths necessary for effective protection against undue drainage by wells on adjacent lands. The term "adjacent lands" includes lands which have a common corner or corners with the land.

14. Lessee in conducting Lessee's operations shall comply with all laws, rules, and regulations of all governmental authorities having jurisdiction of the land and of Lessee's operations. Lessee by the acceptance of the lease agrees to indemnify and save Lessor harmless from all claims, demands, causes of action, costs, and expense arising out of Lessee's operations.

15. Lessee shall mail to Lessor upon request by Lessor a copy of all forms filed with the Texas Railroad Commission in connection with the drilling, completing, re-completing, plugging and abandoning of each oil and/or gas well drilled pursuant to the terms of this lease.

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

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

Lessor:

Margerie T. Connell, Trustee
MARGERIE T. CONNELL, TRUSTEE
Eleanor C. Hartman Co-Trustee
ELEANOR C. HARTMAN, CO-TRUSTEE

STATE OF X

COUNTY OF X

This instrument was acknowledged before me on the twenty-sixth day of JUNE, 2001, by Margerie T. Connell.

Jonathan R. English
Notary Public, State of Texas
State of Nevada



STATE OF Nevada
COUNTY OF Clark

This instrument was acknowledged before me on the 9th day of July, 2001, by Eleanor C. Hartman

William K. Rick
Notary Public, State of Nevada

