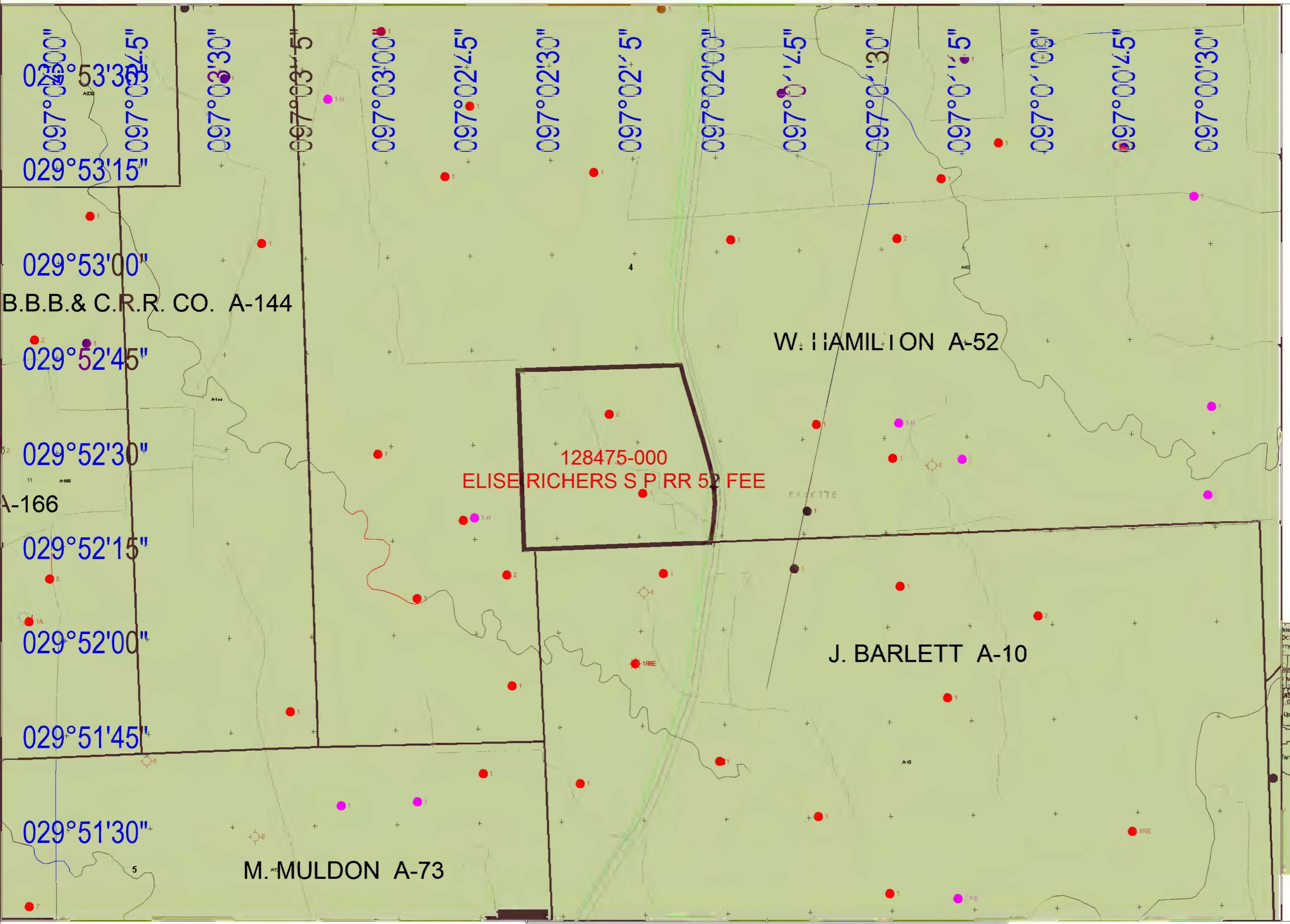


Lierle Public Relations

U.S. Lease Price Report

U.S. LEASE PRICE REPORT May - June, 2006, Page 9 REGION #3 EAST TEXAS cont'd.

State	County	Bonus in \$\$ per Acre				Royalty Range		Rental Range \$/Acre/Yr.		Lease Term Years		
		Sub.	Act	Low	High	Most Common	Low%	High%	Low	High	Low	High
TX	ARANSAS			50.00	100.00	75.00	16.67	20.00	5.00	10.00	3.00	5.00
TX	ATASCOSA			5.00	50.00	35.00	12.50	18.75	1.00	3.00	3.00	5.00
TX	AUSTIN	x +		75.00	500.00	100.00	16.67	20.00	5.00	10.00	3.00	5.00
TX	BANDERA			10.00	25.00	15.00	12.50	16.67	1.00	1.00	5.00	5.00
TX	BASTROP			20.00	50.00	30.00	16.67	18.75	1.00	3.00	3.00	5.00
TX	BEE			50.00	100.00	65.00	16.67	20.00	5.00	10.00	3.00	5.00
TX	BELL			10.00	35.00	17.50	12.50	16.67	1.00	1.00	5.00	5.00
TX	BEXAR			10.00	35.00	15.00	12.50	18.75	1.00	5.00	5.00	5.00
TX	BLANCO			7.50	10.00	7.50	12.50	12.50	1.00	1.00	5.00	10.00
TX	BRAZORIA			75.00	150.00	125.00	16.67	25.00	5.00	15.00	1.00	5.00
TX	BRAZOS			100.00	800.00	140.00	16.67	25.00	5.00	50.00	3.00	5.00
TX	BROOKS			35.00	100.00	65.00	16.67	25.00	5.00	10.00	2.00	5.00
TX	BURLESTON			75.00	800.00	125.00	16.67	25.00	5.00	25.00	3.00	5.00
TX	BURNET			5.00	12.50	10.00	12.50	12.50	1.00	1.00	5.00	10.00
TX	CALDWELL			20.00	75.00	30.00	16.67	18.75	1.00	3.00	3.00	5.00
TX	CALHOUN			50.00	100.00	75.00	16.67	25.00	5.00	10.00	3.00	5.00
TX	CAMERON			25.00	100.00	50.00	16.67	25.00	3.00	5.00	3.00	5.00
TX	CHAMBERS			75.00	200.00	100.00	16.67	30.00	5.00	25.00	0.50	5.00
TX	COLORADO			75.00	175.00	110.00	16.67	25.00	5.00	25.00	3.00	5.00
TX	COMAL			10.00	15.00	12.50	12.50	16.67	1.00	2.00	5.00	10.00
TX	DEWITT			50.00	125.00	75.00	16.67	25.00	5.00	10.00	3.00	5.00
TX	DIMMUT			35.00	150.00	75.00	12.50	25.00	2.00	5.00	3.00	5.00
TX	DUVAL			50.00	158.00	75.00	16.67	25.00	3.00	10.00	1.00	5.00
TX	EDWARDS			10.00	50.00	20.00	12.50	18.75	1.00	1.00	5.00	5.00
TX	N2	FAYETTE		100.00	250.00	135.00	16.67	25.00	5.00	35.00	3.00	5.00
TX	S2	FAYETTE		50.00	125.00	75.00	16.67	20.00	5.00	20.00	3.00	5.00
TX	FORT PEND			50.00	200.00	100.00	16.67	25.00	5.00	15.00	1.00	5.00
TX	FRIO			35.00	200.00	90.00	18.75	18.75	10.00	10.00	3.00	5.00
TX	GALVESTON			75.00	150.00	125.00	16.67	25.00	5.00	15.00	1.00	3.00
TX	GILLESPIE			5.00	12.50	10.00	12.50	16.67	1.00	1.00	5.00	10.00
TX	GOLIAD			50.00	100.00	75.00	16.67	25.00	5.00	10.00	3.00	5.00
TX	GONZALES			100.00	300.00	150.00	18.75	25.00	2.00	5.00	3.00	5.00
TX	GRIMES			100.00	175.00	110.00	16.67	25.00	5.00	25.00	3.00	5.00
TX	GUADALUPE			100.00	300.00	100.00	18.75	25.00	2.00	5.00	3.00	5.00
TX	HARDIN			75.00	250.00	100.00	16.67	25.00	5.00	35.00	3.00	5.00
TX	HARRIS			75.00	200.00	110.00	16.67	25.00	5.00	35.00	3.00	5.00
TX	HAYS			10.00	20.00	15.00	12.50	16.67	1.00	2.00	5.00	5.00
TX	HIDALGO			10.00	125.00	75.00	16.67	25.00	3.00	10.00	2.00	5.00
TX	JACKSON			50.00	150.00	75.00	16.67	25.00	5.00	20.00	2.00	5.00
TX	JASPER			50.00	125.00	75.00	16.67	25.00	5.00	25.00	3.00	5.00
TX	JEFFERSON	x +		75.00	250.00	150.00	16.67	25.00	5.00	50.00	3.00	5.00
TX	JIM HOGG	x +		50.00	200.00	75.00	16.67	25.00	3.00	10.00	2.00	5.00
TX	JIM WELLS			50.00	100.00	60.00	16.67	25.00	3.00	10.00	1.00	5.00
TX	KARNES			50.00	100.00	75.00	16.67	20.00	5.00	10.00	2.00	5.00
TX	KENDALL			5.00	15.00	7.50	12.50	16.67	1.00	1.00	5.00	10.00
TX	KENEDY			50.00	75.00	60.00	16.67	25.00	3.00	10.00	2.00	5.00
TX	KERR			5.00	15.00	7.50	12.50	16.67	1.00	1.00	5.00	10.00
TX	KINNEY			5.00	25.00	15.00	12.50	16.67	1.00	1.00	5.00	10.00
TX	KLEBERG			50.00	120.00	60.00	16.67	25.00	3.00	10.00	2.00	5.00
TX	LA SALLE			35.00	150.00	75.00	12.50	20.00	2.00	5.00	3.00	5.00
TX	LAVALCO			50.00	300.00	75.00	16.67	20.00	5.00	10.00	2.00	5.00
TX	LEE			75.00	225.00	125.00	16.67	25.00	5.00	35.00	3.00	5.00
TX	LIBERTY			50.00	150.00	75.00	16.67	25.00	5.00	15.00	1.00	5.00
TX	LIVE OAK			50.00	125.00	75.00	16.67	20.00	5.00	10.00	3.00	5.00
TX	LLANO			5.00	10.00	7.50	12.50	16.67	1.00	1.00	5.00	10.00
TX	MADISON			75.00	125.00	85.00	16.67	20.00	5.00	15.00	3.00	5.00
TX	MASON			5.00	10.00	7.50	12.50	12.50	1.00	1.00	5.00	10.00
TX	MATAGORDA			75.00	20.00	125.00	16.67	25.00	10.00	20.00	1.00	5.00
TX	MAVERICK			15.00	150.00	35.00	12.50	25.00	1.00	1.00	3.00	5.00
TX	MCMULLEN			75.00	150.00	100.00	18.75	25.00	10.00	10.00	3.00	5.00
TX	MEDINA			10.00	25.00	15.00	12.50	16.67	1.00	2.00	5.00	10.00
TX	MILAM			10.00	25.00	15.00	12.50	16.67				



LEGEND

Culture: Background: All

- Airports
 - Pipelines
 - Railways
 - Roads and highways
 - {Other}

Grid: Tobin: Texas Abstract (SDE)



and: Contracts (LIS)



Environ Biol Fish (2008)



Wells: Competitor & Chevron (WRH)



Dry Hole
Gas



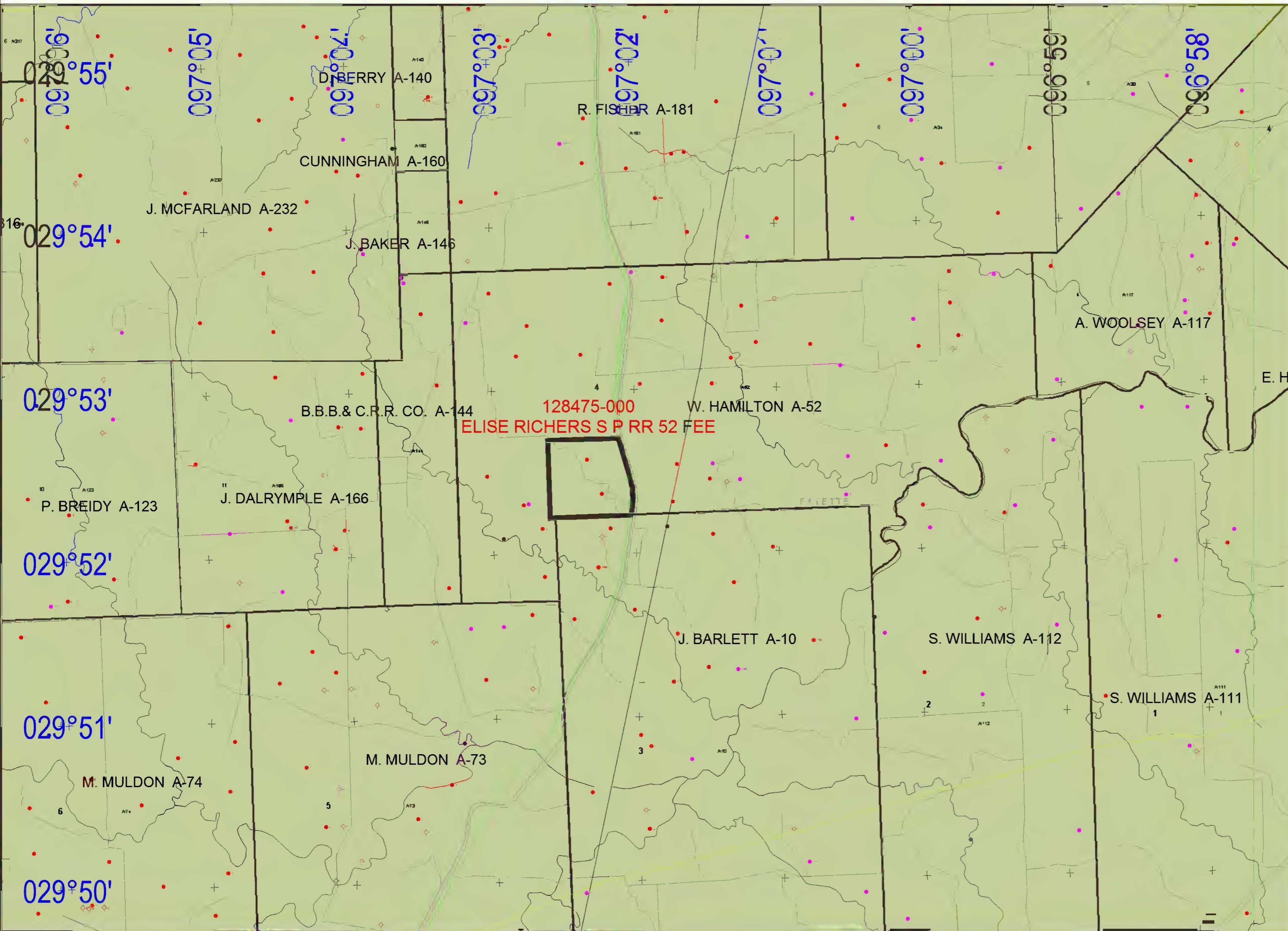
Oil



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HAYE TEE COUNTY, TEXAS

LAFAYETTE COUNTY, TEXAS



LEGEND

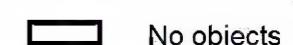
Culture: Background: All

- Airports
- Pipelines
- Railways
- Roads and highways
- {Other}

Grid: Tobin: Texas Abstract (SDE)



Land: Contracts (LIS)



Land: Fee (LIS)

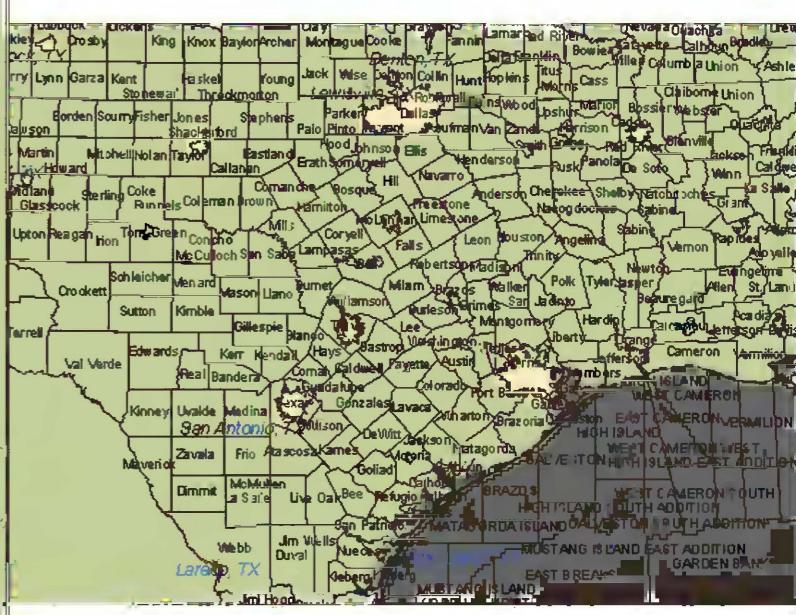


Land: Leases (LIS)



Wells: Competitor & Chevron (WPH)

- Dry Hole
- Gas
- Injection
- Oil
- {Other}



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Exhibit "A"

Attached to and made a part of that certain Mineral Deed effective _____, 2006, by and between **Chevron U.S.A. Inc.**,
as Grantor, and _____, Grantee

<u>LIS No.</u>	<u>Grantor</u>	<u>Grantee</u>	<u>Date</u>	<u>Recording</u>	<u>Legal Description</u>
128475	Elise Richers et al	The Texas Company	10/19/1926	Vol 130, Pg 158, Deed Records, Fayette County, Texas	176 acres of land, more or less, in the Walter F. Hamilton League, A-52, Fayette County, Texas, being of Lots or tracts numbered 86, 87, 88, and 89, and that portion of lots or tracts numbered 85 and 90, lying west of the old S.A & A.P. R.R. line, (now S.P.R.R. line), said lots or tracts of land being shown on map or plat of said Hamilton League, recorded in Book Y, Page 500, Deed Records said County.

Exhibit Prepared by:

John W Wagner
Chevron Corporation
11111 S Wilcrest #N-2110
Houston TX 77099

RETURN TO
G. W. POSTER
P. O. DRAWER I
HOUSTON, TEXAS.

E-F-A

THE STATE OF TEXAS
COUNTY OF FAYETTE

KNOW ALL MEN BY THESE PRESENTS:

That we, Mrs. Elise Richers, a widow, of Matagorda County, Texas; Mrs. Paula Kehrer, joined by her husband George Kehrer, of Harris County, Texas; Mrs. Emma Kehrer, joined by her husband, Richard Kehrer, of Matagorda County, Texas; Mrs. Louise Otto, joined by her husband, F. A. Otto, of Harris County, Texas; Mrs. Frances Hunger, joined by her husband, F. W. Hunger, of Fayette County, Texas; John A. Richers, Victor Richers, Louis Richers, Gustave Richers, Alfred Richers and Regina Richers, a feme sole, all of Matagorda County, Texas, for and in consideration of Twenty Thousand (\$20,000.00) Dollars, to us cash in hand paid by The Texas Company, a corporation of Texas, (one-half of which consideration has been paid to Mrs. Elise Richers and the other one-half to the children of Mrs. Elise Richers, joined herein) and the further consideration hereinafter mentioned, have granted, sold and conveyed, and do hereby grant, sell and convey unto The Texas Company, a corporation of Texas, the following described tracts of land in Fayette County, Texas, a part of the Walter F. Hamilton league, viz:

All of lots or tracts Nos. Eighty-six (86), Eighty-seven (87), Eighty-eight (88), and Eighty-nine (89), and that portion of lots or tracts Nos. Eighty-five (85), and Ninety (90), lying west of the old S. A. & A. P. R. R. line, now the S. P. R. R. line, containing 176 acres of land, more or less, said lots or tracts of land being shown on map or plat of the Walter F. Hamilton league, recorded in Book Y, page 500, of the Deed Records of Fayette County, Texas, to which plat reference is here made for more particular description.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in any wise belonging unto the said The Texas Company, its successors, and assigns forever, subject, however, to the covenants hereinafter set forth; and we do hereby bind ourselves, our heirs, executors, and administrators to warrant and forever defend the said premises unto the said The Texas Company, its successors and assigns, against all persons, whomsoever, lawfully claiming or to claim the same or any part thereof.

As a part of the consideration for this conveyance, it is agreed and covenanted by and between the grantors, their heirs, executors, administrators and assigns, and the grantees, its successors and assigns, as follows:

The grantees agree to pay to Mrs. Elise Richers, at the time and in the manner hereinafter provided, a royalty of Twenty (20) Cents per ton for each ton of fullers earth or similar clay-like substance, mined or shipped from said land as follows:

(a) For the twelve months' period beginning July 1st, 1926, and ending July 1st, 1927, said royalty shall be paid only on the amount actually shipped.

(b) For the twelve months' period beginning July 1st, 1927, and ending July 1st, 1928, said royalty shall be paid at the minimum rate of 200 tons per month.

(c) For the twelve months' period beginning July 1st, 1928, and ending July 1, 1929, said royalty shall be paid at the minimum rate of 300 tons per month.

(d) For the twelve months' period beginning July 1st,

1929, and ending July 1, 1930, said royalty shall be paid at the minimum rate of 400 tons per month.

(e) From the 1st day of July, 1930, to the 1st day of July, 1950, said royalty shall be paid at the minimum rate of 400 tons per month.

(f) After the 1st day of July, 1950, said royalty shall be paid only on the amount mined or shipped.

It is agreed that said minimum royalties above provided shall be paid whether such fullers earth or other clay-like substance be actually shipped or not, it being understood that grantee shall never be obligated against its wish or option to mine and market said product.

Payments of royalty shall be based on railroad weights of said fullers earth or similar clay-like substance as per shipper's invoices; and shall be made on or before the 15th/day of each month for shipments made during the preceding calendar month by depositing same to account of Mrs. Elise Richers, in the First National Bank of La Grange, Texas, or its successors

It is distinctly agreed and understood that grantee shall be under no obligation to drill or carry on other operations on said land for oil, gas or other minerals; it being optional with grantee to refrain from doing so wholly or partially at any or all times before or after production is secured, except as hereinafter stipulated, but grantee agrees and covenants that in the event it should produce oil or gas or any other minerals from said land, (except fullers earth or other clay-like substance on which the above royalty shall apply) Mrs. Elise Richers shall receive a royalty on such minerals as follows:

(a) On oil or gas, a quantity equal to one-eighth (1/8) of all produced and saved, the same to be delivered at the wells or to the credit of Mrs. Elise Richers in the pipe line to which the wells may be connected.

(b) On any other mineral produced and marketed from said land, grantee shall pay to Mrs. Elise Richers the same royalty as is then being paid in the same field or immediate vicinity for such mineral so mined and marketed.

While it is agreed that grantee shall never be obligated against its wish or option to produce and market oil, gas or other minerals from said land, nevertheless, should a well producing oil or gas in paying quantities be brought in within 1000 feet of any boundary line of the property herein conveyed, grantee shall, within six (6) months from said date begin the drilling of an offset well and drill same to completion, or, failing so to do, grantee shall forfeit all right, title, and interest in and to the oil and gas in and under said land and the same shall revert to the grantors with the right to mine the same, provided such mining shall not interfere with the operations or mining of fullers earth by grantee.

It is agreed that grantors shall have the right at all reasonable business hours to visit said land for the purpose of observing operations of grantee.

The agreements herein made are covenants running with the land, and the same shall be binding on the parties hereto, their heirs, executors, administrators, successors and assigns.

WITNESS our hands this 19th day of October, 1926.

Elise Richers
Paula Kehrer.
George Kehrer
+ Mrs Emma Kehrer.
Richard Telches.
Miss Louise Otto.
Bart Otto
Mrs Frances Hunger,
F. Hunger,
x Geo F. Richers
D. C. F. Richers.
Louis Richers
Iustave Richers
Alfred S. Richers
Regina Richers
Grantors.

THE STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Mrs. Elise Richers, a widow, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Witness my hand and seal of office this 19th day of October, 1926.

P. L. Landon
Notary Public, in and for
Harris County, Texas.

THE STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Mrs. Paula Kehrer and husband, George Kehrer, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each

executed the same for the purposes and consideration therein expressed; and the said Paula Kehrer, wife of the said George Kehrer, having been examined by me privily and apart from her husband and having the same byme fully explained to her, she the said Paula Kehrer, acknowledged the said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 19th day of October, 1926.

P. L. Landon
Notary Public, in and for
Harris County, Texas.

THE STATE OF TEXAS |
COUNTY OF MATAGORDA |

Before me, the undersigned authority, on this day personally appeared Mrs. Emma Kehrer and husband, Richard Kehrer, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purposes and consideration therein expressed; and the said Emma Kehrer, wife of the said Richard Kehrer, having been examined by me privily and apart from her husband and having the same by me fully explained to her, she the said Emma Kehrer, acknowledged the said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 20th day of October, 1926.

Pearl Morton
Notary Public, in and for
Matagorda County, Texas.

THE STATE OF TEXAS |
COUNTY OF HARRIS |

Before me, the undersigned authority, on this day personally appeared Mrs. Louise Otto, and husband, F. A. Otto, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purposes and consideration therein expressed; and the said Louise Otto, wife of the said F. A. Otto having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Louise Otto, acknowledged said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 19th day of October, 1926.

P. L. Landon
Notary Public, in and for
Harris County, Texas.

THE STATE OF TEXAS

County of Fayette I, Albert F. Mach, Clerk of the County Court of said County, do hereby certify that the foregoing and attached instrument of writing (with its authentications) bearing the date 19th day of October A. D. 1926, was filed for record in my office at 8:30 o'clock A. M., on the 12th day of November A. D. 1926 and recorded in Book Volume 130 upon pages 158-161 of Records of Deeds for said County, at 1:10 o'clock P. M., 15th day of November A. D. 1926.

To certify all of which I hereto sign my name and affix my seal of office in the City of LaGrange, this the 15th, day of November, A. D. 1926.

卷之三

NOV 29 1926

G. W. FOSTER

Albert J. Mach

Clerk County Court, Fayette County, Texas.

By Gillian Walter Deputy

Believe me, I am deeply sorry for your loss, and I hope you will find some consolation in the thought that your son died nobly.

000764 05 270760KUT

• 2127 DIVISION OF MEXICO

Q326-1453 T100

different to, using the rest of public data, δ_{public} is

CONFIDENTIALITY OF PERSONAL INFORMATION
EXEMPTIONS AS THEY AFFECT THE PUBLIC

the 100,000 inhabitants of
Santo Domingo the 100,
000 inhabitants of the
Colombian port of Barranquilla.

ССОВА ОБ АДДИС

JRC BIVALE CO. LETTERS

ST. JEROME'S DAY.

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CC0053A 03 3247662

ESTATE PLANNING

re ea
Mrs. Elise Richers
et. al.

20

The Texas Company

FILED FOR RECORD
at 8³⁰
on 12th day of November, 1968
By Albert Mack
P. L. Franek, Deputy.
Fayette County, Texas.

blue

RETURN TO
G. W. FOSTER
P.O. DRAWER F
LITCH, TEXAS.

THE STATE OF TEXAS |
COUNTY OF FAYETTE |

I KNOW ALL MEN BY THESE PRESENTS:

That we, Mrs. Elise Richers, a widow, of Matagorda County, Texas; Mrs. Paula Kehrer, joined by her husband George Kehrer, of Harris County, Texas; Mrs. Anna Kehrer, joined by her husband, Richard Kehrer, of Matagorda County, Texas; Mrs. Louise Otto, joined by her husband, F. A. Otto, of Harris County, Texas; Mrs. Frances Hunger, joined by her husband, F. W. Hunger, of Fayette County, Texas; John A. Richers, Victor Richers, Louis Richers, Gustave Richers, Alfred Richers and Regina Richers, a feme sole, all of Matagorda County, Texas, for and in consideration of Twenty Thousand (\$20,000.00) Dollars, to us cash in hand paid by The Texas Company, a corporation of Texas, (one-half of which consideration has been paid to Mrs. Elise Richers and the other one-half to the children of Mrs. Elise Richers, joined herein) and the further consideration hereinafter mentioned, have granted, sold and conveyed, and do hereby grant, sell and convey unto The Texas Company, a corporation of Texas, the following described tracts of land in Fayette County, Texas, a part of the Walter F. Hamilton league, viz:

All or lots or tracts Nos. Eighty-six (86), Eighty-seven (87), Eighty-eight (88), and Eighty-nine (89), and that portion of lots or tracts Nos. Eighty-five (85), and Ninety (90), lying west of the old S. A. & A. P. R. R. line, now the S. I. R. R. line, containing 176 acres of land, more or less, said lots or tracts of land being shown on map or plat of the alter F. Hamilton league, recorded in Book V, page 500, of the Deed records of Fayette County, Texas, to which plat reference is here made for more particular description.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in any wise belonging unto the said The Texas Company, its successors, and assigns forever, subject, however, to the covenants hereinafter set forth; and we do hereby bind ourselves, our heirs, executors, and administrators to warrant and forever defend the said premises unto the said The Texas Company, its successors and assigns, against all persons, whomsoever, lawfully claiming or to claim the same or any part thereof.

As a part of the consideration for this conveyance, it is agreed and covenanted by and between the grantors, their heirs, executors, administrators and assigns, and the grantee, its successors and assigns, as follows:

The grantee agrees to pay to Mrs. Elise Richers, at the time and in the manner hereinafter provided, a royalty of Twenty (20) Cents per ton for each ton of fullers earth or similar clay like substance, mined or shipped from said land as follows:

(a) For the twelve months' period beginning July 1st, 1926, and ending July 1st, 1927, said royalty shall be paid only on the amount actually shipped.

(b) For the twelve months' period beginning July 1st, 1927, and ending July 1st, 1928, said royalty shall be paid at the minimum rate of 100 tons per month.

(c) For the twelve months' period beginning July 1st, 1928, and ending July 1, 1929, said royalty shall be paid at the minimum rate of 300 tons per month.

(d) For the twelve months' period beginning July 1st,

1929, and ending July 1, 1930, said royalty shall be paid at the minimum rate of 400 tons per month.

(e) From the 1st day of July, 1930, to the 1st day of July, 1950, said royalty shall be paid at the minimum rate of 400 tons per month.

(f) After the 1st day of July, 1950, said royalty shall be paid only on the amount mined or shipped.

It is agreed that said minimum royalties above provided shall be paid whether such fullers earth or other clay-like substance be actually shipped or not, it being understood that grantee shall never be obligated against its wish or option to mine and market said product.

Payments of royalty shall be based on railroad weights of said fullers earth or similar clay-like substance as per shipper's invoices; and shall be made on or before the 15th day of each month for shipments made during the preceding calendar month by depositing same to account of Mrs. Elise Richers, in the First National Bank of La Grange, Texas, or its successor.

It is distinctly agreed and understood that grantee shall be under no obligation to drill or carry on other operations on said land for oil, gas or other minerals; it being optional with grantee to refrain from doing so wholly or partially at any or all times before or after production is secured, except as hereinafter stipulated, but grantee agrees and covenants that in the event it should produce oil or gas or any other minerals from said land, (except fullers earth or other clay-like substance on which the above royalty shall apply) Mrs. Elise Richers shall receive a royalty on such minerals as follows:

(a) On oil or gas, a quantity equal to one-eighth (1/8) of all produced and saved, the same to be delivered at the wells or to the credit of Mrs. Elise Richers in the pipe line to which the wells may be connected.

(b) On any other mineral produced and marketed from said land, grantee shall pay to Mrs. Elise Richers the same royalty as is then being paid in the same field or immediate vicinity for such mineral so mined and marketed.

X While it is agreed that grantee shall never be obligated against its wish or option to produce and market oil, gas or other minerals from said land, nevertheless, should a well producing oil or gas in paying quantities be brought in within 1000 feet of any boundary line of the property herein conveyed, grantee shall, within six (6) months from said date begin the drilling of an offset well and drill same to completion, or, failing so to do, grantee shall forfeit all right, title, and interest in and to the oil and gas in and under said land and the same shall revert to the grantors with the right to mine the same, provided such mining shall not interfere with the operations or mining of fullers earth by grantee.

It is agreed that grantors shall have the right at all reasonable business hours to visit said land for the purpose of observing operations of grantee.

The agreements herein made are covenants running with the land, and the same shall be binding on the parties hereto, their heirs, executors, administrators, successors and assigns.

WITNESS our hands this 19th day of October, 1926.

✓ Elise Richers

Paula Kehrer

George Kehrer

Mrs. Emma Kehrer

Richard Kehrer

Mrs. Louise Otto

F.A.Otto

Mrs. Frances Hunger

F.W.Hunger

J.A.Richers

Victor Richers

Louis Richers

Gustave Richers

Alfred C. Richers

Regina Richers

Grantors.

THE STATE OF TEXAS

COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Mrs. Elise Richers, a widow, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Witness my hand and seal of office this 19th day of October, 1926.

R. L. Landon
Notary Public, in and for
Harris County, Texas.

THE STATE OF TEXAS

COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Mrs. Paula Kehrer and husband, George Kehrer, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each

executed the same for the purposes and consideration therein expressed; and the said Paula Kehrer, wife of the said George Kehrer, having been examined by me privily and apart from her husband and having the same byme fully explained to her, she the said Paula Kehrer, acknowledged the said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 19th day of October, 1926.

R. L. Jandon
Notary Public, In and for
Harris County, Texas.

THE STATE OF TEXAS |
COUNTY OF MATAGORDA |

Before me, the undersigned authority, on this day personally appeared Mrs. Emma Kehrer and husband, Richard Kehrer, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purposes and consideration therein expressed; and the said Emma Kehrer, wife of the said Richard Kehrer, having been examined by me privily and apart from her husband and having the same byme fully explained to her, she the said Emma Kehrer, acknowledged the said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 20th day of October, 1926.

Pearl Morton
Notary Public, In and for
Matagorda County, Texas.

THE STATE OF TEXAS |
COUNTY OF HARRIS |

Before me, the undersigned authority, on this day personally appeared Mrs. Louise Otto, and husband, F. A. Otto, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purposes and consideration therein expressed; and the said Louise Otto, wife of the said F. A. Otto having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Louise Otto, acknowledged said instrument to be her act and deed, and declaimed that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 19th day of October, 1926.

R. L. Jandon
Notary Public, In and for
Harris County, Texas.

THE STATE OF TEXAS
COUNTY OF FAYETTE

Before me, the undersigned authority, on this day personally appeared Mrs. Francis Hunger and husband, F. W. Hunger, both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Francis Hunger, wife of the said F. W. Hunger, having been examined by me privily and apart from her husband and having the same by me fully explained to her, she the said Francis Hunger, acknowledged the said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Witness my hand and seal of office this the 26th day of October, 1926.

Roy H. Giese

~~Clerk District Court,~~
~~Notary Public, in and for~~
Fayette County, Texas.
By John Schroeder, Deputy.

THE STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Mr. Gustave Richers, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Witness my hand and seal of office this 19th day of October, 1926.

R. L. Jandon
Notary Public, in and for
Harris County, Texas.

THE STATE OF TEXAS
COUNTY OF MATAGORDA

Before me, the undersigned authority, on this day personally appeared Regina Richers, a feme sole, John A. Richers, Victor Richers, Louis Richers & Alfred Richers, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

WITNESS my hand and seal of office this 20th day of October, 1926.

Pearl Morton
Notary Public, in and for
Matagorda County, Texas.

THE STATE OF TEXAS
COUNTY OF FAYETTE

KNOW ALL MEN BY THESE PRESENTS:

That TEXACO INC., a Delaware corporation (formerly named The Texas Company), acting herein by its duly authorized officers, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to it in hand paid by LEON SCHMIDT, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto the said LEON SCHMIDT of La Grange, Texas, hereinafter sometimes called "GRANTEE", the following described land and all improvements thereon (with the exception of certain equipment and personal property listed below), situated in Fayette County, Texas, and being a part of the Walter F. Hamilton League, to-wit:

All of lots or tracts Nos. Eighty-six (86), Eighty-seven (87), Eighty-eight (88), and Eighty-nine (89), and that portion of lots or tracts Nos. Eighty-five (85), and Ninety (90), lying West of the old S.A. & A.P. R.R. line, now the S.P. R.R. line, containing 176 acres of land, more or less, said lots or tracts of land being shown on map or plat of the Walter F. Hamilton League, recorded in Book Y, page 500 of the Deed Records of Fayette County, Texas, to which plat reference is here made for more particular description.

There is hereby excepted and reserved unto TEXACO INC., its successors and assigns, and not conveyed hereby, all of the oil, gas and other minerals, except fullers earth or other similar clay-like substances, in, on, under or which may be produced, saved and/or sold from said land.

There is also hereby excepted and reserved unto TEXACO INC., its successors and assigns, and not conveyed hereby, the following described equipment and personal property now

SEE S.F. #104 FOR COMPLETE RECORD
OF MICROFILM OF DEED, AND ORIGINAL
TITLE OPINIONS, IF ANY, FORWARDED
TO DENVER, COLORADO, FOR SAFE KEEP-
ING IN BOMB PROOF SHELTER.

located on the above described land, together with the right to remove same from said land by September 15, 1965, to-wit:

1 - Rectangular-shaped steel crusher clay storage bin

1 - Link Belt pan conveyor, variable speed drive

1 - Bucket elevator

1 - Indirect fired 5' x 50' rotary kiln

1 - Redler dry clay elevator

2 - U6 International Harvester gasoline engines used for running machinery

2 - 10,000-gallon fuel oil storage tanks with pumps to unload tank car to fuel storage and fuel system comprised of 2 small gear pumps, pressure atomizer burners for firing the dryer

All railroad tracks, switches and rail fastenings located on said land

1 - Fairbanks Morse 30,000 # truck scale

1 - 1-1/2 ton 1947 Dodge dump truck

1 - 1/2 ton 1961 Chevrolet pick-up

1 - 3/4 yard 1949 Hough Model AA Payloader

1 - 1961 Allis Chalmers TL 10 tractor payloader

1 - 1947 International Harvester Farmall tractor

All parts and attachments for the aforementioned equipment

This conveyance is made and GRANTEE accepts same subject to the following:

(1) Unrecorded Passageway Easement approximately 17 feet in width across a portion of Lot Eighty-eight (88), dated May 26, 1934, from The Texas Company to Robert H. Mattingly.

(2) Unrecorded Right-of-Way Easement dated March 10, 1939, from The Texas Company to Fayette Electric Co-Operative, Inc.

(3) Spur Track Agreement dated November 17, 1927, by and between The Texas Company and S.A. & A.P. R.R. Co. (Southern Pacific).

(4) All of the terms and provisions in regard to the payment of royalty on fullers earth and other similar clay-like substances, reserved by Mrs. Elise Richers, et al., in deed to The Texas Company dated October 19, 1926, of record in Volume 130 at Page 158 of the Deed Records of Fayette County, Texas

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in anywise belonging unto the said LEON SCHMIDT, his heirs and assigns forever, and TEXACO INC. does hereby bind itself, its successors and assigns, to warrant and forever defend all and singular the said premises unto the said LEON SCHMIDT, his heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

IN WITNESS WHEREOF, this instrument is duly executed this the 28TH day of July, 1965.

TEXACO INC.

ATTEST:

Sgd: PHILIP CRESAP JR.
ASST. SECRETARY

Signed: W. G. COPELAND
By _____

VICE PRESIDENT

FORM APPROVED
JOE M. JACKSON

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared W.G. COPELAND, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28TH day of July, 1965.

Sgd. M.C. KELLY
Notary Public in and for
Harris County, Texas

128 WHEREAS, by deed dated the 19th day of October, 1926, recorded in Vol. 130, page 158, of the Deed Records of Fayette County, Texas, Mrs. Elise Richers, a widow, et al, granted, sold and conveyed unto The Texas Company the following described tracts of land, hereinafter called "subject land", out of the Walter F. Hamilton League in Fayette County, Texas:

All of lots or tracts Nos. Eighty-six (86), Eighty-seven (87), Eighty-eight (88) and Eighty-nine (89), and that portion of lots or tracts Nos. Eighty-five (85), and Ninety (90), lying west of the old S.A. & A.P. R.R. line, now the S.P. R.R. line, containing 176 acres of land, more or less, said lots or tracts of land being shown on map or plat of the Walter F. Hamilton League, recorded in Book Y, page 500, of the Deed Records of Fayette County, Texas, to which plat reference is here made for more particular description;

reserving unto the said Mrs. Elise Richers the royalty interests therein specified in fuller's earth and other clay-like substances and the following royalty interests in oil, gas and other minerals:

- (a) On oil or gas, a quantity equal to one-eighth (1/8) of all produced and saved, the same to be delivered at the wells or to the credit of Mrs. Elise Richers in the pipeline to which the wells may be connected; and
- (b) On any other mineral produced and marketed from said land, grantee shall pay to Mrs. Elise Richers the same royalty as is then being paid in the same field or immediate vicinity for such mineral so mined and marketed; and

WHEREAS, Texaco Inc., hereinafter called "Grantee", is the successor in interest to The Texas Company and the undersigned parties, hereinafter called "Royalty Owners", are the present owners of the royalty interests hereinabove specified, and it is desired to clarify the provisions of said deed, hereinafter called "the offset provisions", relating to the drilling of an offset well in the event that a well producing oil or gas is completed on adjoining land:

NOW, THEREFORE, in consideration of the premises, the said Royalty Owners do hereby amend and modify said deed by substituting

32800-9(1)

for the aforesaid off set provisions the following offset provisions:

If a well or wells producing oil and/or gas in commercial quantities shall be completed on adjoining land and within six hundred sixty (660) feet of and draining the land herein conveyed, Grantee will, within ninety (90) days after the date of first production from the first such draining well, or ninety (90) days after the date of this instrument, whichever is the later date, either:

- (a) commence operations for drilling a well on subject land offsetting said first draining well and drill it to a depth sufficient to test the formation from which said first draining well is producing; or
- (b) commence the payment or tender to Royalty Owners, or to their credit in the respective depository banks designated by them, compensatory royalty consisting of one-eighth (1/8) of the average of the volumes of oil and/or gas actually produced each calendar month from all such draining wells, as reflected by the records of the Railroad Commission of Texas and continue such payments until there is a cessation of commercial production from all draining wells, or until Grantee has drilled the offset well provided for in sub-paragraph (a), above, whichever first occurs; or
- (c) convey to Royalty Owners, without warranty of title express or implied, all of Grantee's right, title and interest in and to all of the oil, gas and other minerals in and under subject land.

To the extent of any conflict or inconsistency between the provisions hereof and the provisions of the aforesaid deed dated the 19th day of October, 1926, the provisions hereof shall control; and Grantee and Royalty Owners hereby ratify, adopt and confirm said deed as herein amended, and Royalty Owners do hereby grant and convey unto Grantee all of the oil, gas and other minerals in and that may be produced from subject land upon all of the terms and conditions of said deed, as herein amended.

This AMENDMENT may be executed in multiple counterparts and will be binding upon each Royalty Owner who executes such a counterpart, and his or her heirs and assigns, whether or not it is executed by all of said Royalty Owners.

WITNESSETH this 27th day of July, 1981. VOL 590 PAGE 197

GRANTEE

TEXACO INC.

By William B. Nease

Attorney-in-Fact

ROYALTY OWNERS

<u>NAME</u>	<u>INTEREST</u>	<u>DEPOSITORY</u> (<u>Bank and City</u>)
ALMA HELOISE KEHRER	.0059523 R.I.	
WARREN DELBERT TULEY	.0059523 R.I.	
ROBERT LEE DRAGO, JR.	.0029763 R.I.	
EDWARD KEHRER DRAGO	.0029763 R.I.	
EVELYN KEHRER WRIGHT	.0089286 R.I.	
MARGUERITE KEHRER REEVES	.0089286 R.I.	
BEATRICE OTTO KRING	.0089286 R.I.	
GILBERT RICHERS OTTO	.0089286 R.I.	

FRANCIS RICHERS HUNGER .0178571 R.I.

Julia L. Richers
JULIA L. RICHERS .0178571 R.I. Gt 2, Bay 117H
461-78-5926 Bay City, Tx 77444

ALFRED B. RICHERS .0029762 R.I.*

JOHN W. RICHERS .0029762 R.I.*

GUS C. RICHERS .0029762 R.I.*

CHARLES G. RICHERS .0029762 R.I.*

VICTOR E. RICHERS .0029762 R.I.*

BENNIE HAVERLAH, JR. .0005952 R.I.*

JONOTHAN WAYNE HAVERLAH .0005952 R.I.*

LILLY ELISE HAVERLAH BECK .0005952 R.I.*

ALFRED CHARLES HAVERLAH .0005952 R.I.*

ANNA RUTH HAVERLAH .0005952 R.I.*

*Subject to 1/3rd life estate
in Francis Taylor Richers.

ALMA D. RICHERS .0178572 R.I.

FRANCIS TAYLOR RICHERS Life estate
in .0178570 R.I.

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared WILLIAM B. HEAD, known to me to be person whose name is subscribed to the foregoing instrument, as Attorney-in-Fact for TEXACO INC., and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said TEXACO INC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 4th day of NOVEMBER, 1981.

R. M. Holland Jr.
Notary Public, State of Texas

R. M. HOLLAND, JR.
Notary Public, State of Texas
My Commission Expires February 19, 1984



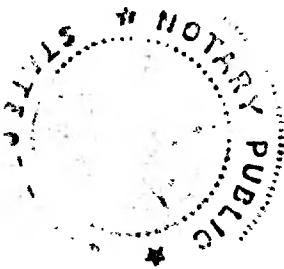
VOL 590 PAGE 200

THE STATE OF TEXAS

COUNTY OF MATAGORDA

BEFORE ME, the undersigned authority, on this day personally appeared Julia L. Richers, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of October, 1981.



Mary J. Sharp
Notary Public in and for
Matagorda County, Texas.
MARY J. SHARP
Commission expires: 9/26/85

THE STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 1981.

Notary Public in and for
County, _____.

THE STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 1981.

FILED FOR RECORD

At 11:15 o'clock A.M.

The 5th Day of Nov 1981
IRENE PRATKA

Clerk County Court, Fayette County, Texas
P.O. Audrey K. Kline

Notary Public in and for
County, _____.

\$13.00 Pd.

Return to: Texaco U.S.A.
4800 Fournace Place
Bellaire, Texas 77401

RECORDED

COMPARED

**STATE OF TEXAS
COUNTY OF FAYETTE**

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

NOV 20 1981



Irene Pratka
IRENE PRATKA, COUNTY CLERK
FAYETTE COUNTY, TEXAS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THE STATE OF TEXAS
COUNTY OF

MINERAL DEED

STATE OF TEXAS }

 }

COUNTY OF }

THIS AGREEMENT, entered into this _____ day of _____, 2006, by and between **CHEVRON U.S.A. INC.**, a Pennsylvania corporation, whose mailing address is 1500 Louisiana, Houston, Texas 77002-7308 (hereinafter referred to as "Grantor") and _____, whose mailing address is _____ (hereinafter referred to as "Grantee"),

DOES WITNESS THAT:

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the performance by Grantee of the covenants, agreements, obligations and conditions hereinafter contained, to be kept and performed by Grantee, it is agreed between the parties as follows, to-wit:

1. **Conveyance.** Grantor does hereby grant, bargain, sell, convey and quitclaim to Grantee, without warranty express or implied, all of Grantor's right, title and interest in the oil, gas and other minerals (including but not limited to royalties, overriding royalties, working interests, reversionary interests, or any contractual obligations or interests created pursuant to any Joint Operating Agreement/s) in, under or that may be produced and saved from the property(ies) listed on Exhibit "A" attached hereto and made a part hereof, insofar and only insofar as limited herein (hereinafter referred to as the "Property"), and subject to all of the covenants and conditions hereof and the additional provisions, if any, contained in said Exhibit "A".

2. **No Warranty or Representation by Grantor.** This conveyance is made on an "AS IS, WHERE IS" basis and "WITH ALL FAULTS", and WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST HEREIN TRANSFERRED, EITHER EXPRESS OR IMPLIED, it being expressly agreed by

Grantor and Grantee that GRANTOR MAKES NO WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, TITLE TO REAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS OR OTHER MINERALS PRODUCIBLE OR RECOVERABLE FROM THE PROPERTY, OR OF TITLE TO OR CONDITION OF THE PROPERTY. All descriptions set forth herein and all information heretofore or hereafter furnished Grantee by Grantor concerning the Property have been and shall be furnished solely for Grantee's convenience and have not constituted and shall not constitute a representation or warranty of any kind by Grantor, and any reliance thereupon by Grantee shall be at Grantee's sole risk and liability. Grantee understands and acknowledges that (i) the Property is or may have been used for the production, storage and transportation of oil and/or gas, including, without limitation, the handling and the storage of naturally occurring radioactive material (NORM); (ii) the Property may contain an abandoned oil well and other oilfield equipment, including abandoned well casing, storage facilities, pipelines, and buried pipe; (iii) the condition and whereabouts of such equipment is unknown and all of which equipment has not been excepted and excluded from this conveyance; and (iv) Grantee must comply with all laws and regulations affecting its planned activities on the Property.

3. **Grantee's Indemnity of Grantor.** Grantee agrees to protect, defend, indemnify and hold Grantor harmless from and against any and all liability (including, but not limited to, liability for environmental contamination or damage under CERCLA, RCRA, CWA, CAA and all other federal, state and local environmental laws and regulations, as well as all acts, laws and regulations amendatory or supplementary thereto), loss, damage, injury, claims, demands and causes of action therefor asserted or filed after the effective date hereof in any way relating to the Property and the contracts and agreements appertaining thereto, **REGARDLESS OF THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, REGULATORY LIABILITY STATUTORY LIABILITY OR OTHER FAULT OR RESPONSIBILITY OF GRANTOR OR ANY OTHER PERSON OR PARTY.** Grantee shall observe and comply with all covenants, terms, and provisions, express or implied, contained in the agreements, leases, easements and all other contracts appertaining to Grantor's interest in the Property and this Deed is made expressly subject to all such agreements, leases, easements, contracts and other matters.
4. **Taxes.** Any taxes, including but not limited to ad valorem, property, and severance taxes, that may be payable on the Property shall be prorated between Grantor and Grantee as of the effective date hereof, with Grantor responsible for all such taxes accruing prior thereto, and Grantee responsible for all such taxes accruing thereafter. Grantor shall reimburse Grantee for Grantor's share of ad valorem taxes which are due on oil or gas produced prior to the effective date hereof, but not payable until after the effective date hereof. Grantee shall be responsible for all sales, use and similar taxes arising out of the transfer of the Property.

This conveyance shall be binding on the parties and their successors and assigns. Grantee's indemnity obligation under Paragraph 3 is a covenant running with the Property conveyed hereunder, and shall be binding upon Grantee and all subsequent grantees of the Property or any interest therein.

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

EXECUTED the day and year first above written, but effective as of the _____ day of _____, 2006.

GRANTOR:

CHEVRON U.S.A. INC.

By: _____

Name:

Title:

GRANTEE:

By: _____

Name / Title: _____

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me this _____ day of _____ 2006, by _____ for **CHEVRON U.S.A. INC.**, a Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Corporate Acknowledgment

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20_____,
_____, the _____ of
_____, a _____ corporation, on behalf of said
corporation.

My Commission Expires:

Notary Public

Attorney-in-Fact Acknowledgement

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20_____,
by _____,
Attorney-in-Fact for _____, on behalf of said
individual/corporation.

My Commission Expires:

Notary Public

Partnership Acknowledgement

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20_____,
by _____,
partner, on behalf of _____, a partnership.

My Commission Expires:

Notary Public

Individual Acknowledgement

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 20_____,
by _____.

My Commission Expires:

Notary Public

6. LESSER INTEREST

If **BUYER** discovers that the Property conveyed by **SELLER** is of lesser interest than what was represented on the Property Information Sheet and associated data, or any modifications or changes thereto, **BUYER** must contact the **SELLER** within sixty (60) days from the date of the sale as to the difference in interest and **BUYER** agrees as its sole and exclusive remedy that **SELLER**, within thirty (30) days following receipt of written notification and accompanied by adequate proof of said lesser interest, will, at **SELLER'S** option,

- (a) refund a pro-rata share of the purchase price based on the amount of the interest lost compared to the total price paid for the full or represented interest, or
- (b) cure the defect which is attributable to the lesser interest, subject to **BUYER'S** satisfaction of the recovery and confirmation of the lost interest, or
- (c) rescind the sale and **BUYER** shall reassign the same back to **SELLER** free and clear of any and all encumbrances of **BUYER**, and **SELLER** will refund the amount paid by **BUYER** upon execution and delivery of the assignment from **BUYER** to **SELLER**, said assignment to be effective the same date as the **SELLER'S** assignment to **BUYER**.

Failure to provide notice as provided herein shall be a waiver of any claim for a lesser interest in title. **EnergyNet.com, Inc.** shall be entitled to retain a pro rata portion of any commission paid by **SELLER**. In any event **BUYER'S** sole remedy is against **SELLER**.

If any sale is rescinded, **BUYER** hereby agrees to indemnify **SELLER** for any and all attorneys' fees, costs and other damages or expenses arising from **BUYER'S** ownership and, if applicable, operation of the rescinded Properties, prior to the time such rescinded Properties are conveyed back to **SELLER**.

7. GAS IMBALANCES

BUYER acknowledges and agrees that Properties which it may bid or make an offer on and said purchase may be subject to gas imbalances pursuant to Gas Balancing Agreements between working interest parties or, in the absence of Gas Balancing Agreements, to gas imbalances between the working interest parties in the unit.

All Properties shall be sold without warranty on an "AS IS, WHERE IS" basis. No adjustment in the purchase price shall be made as a result of an inaccuracy in the estimated gas imbalance amount disclosed by **SELLER**. **SELLER** shall provide information it believes accurate as to the status of gas imbalances for the offered Properties, but makes no representations or warranties as to the accuracy of such information.

As to interests subject to Gas Balancing Agreements, **SELLER** agrees to fully disclose the Gas Balancing Agreement in the Property Information Sheet and **SELLER** will present the last production figures available as to gas imbalances on the subject properties up to the activation of the Property by **EnergyNet.com, Inc.** **BUYER** acknowledges it is its responsibility to monitor the gas imbalance from the effective date of the last Gas Balance Statement to the effective date of assignment. However, **SELLER** agrees to provide up to date figures on gas imbalances as they occur either prior to or during the auction or negotiating process. All gas imbalances for the Properties sold, whether arising before or after the effective date of the Assignment, are the responsibility of the **BUYER** upon the effective date of the assignment.

BUYER acknowledges and agrees that the consideration paid by the **BUYER** includes the acceptance by the **BUYER** for the Properties sold, whether arising before or after the effective date of the Assignment, of either over or under production on the **Properties**. **BUYER** is responsible for removing or clearing any balancing obligation. **BUYER** shall indemnify and hold **SELLER** and **EnergyNet.com, Inc.** harmless as to any and all claims of gas imbalances or related liabilities either before or after the effective date of the assignment. If within sixty (60) days from the date of sale, **BUYER** discovers the amount of **SELLER'S** over production gas imbalance is understated by at least 50% for a Property in the Property Information Sheet or in any other information provided by **SELLER** and uploaded to the Website or by subsequent statements prior to sale in the Auction or Negotiating Room by **SELLER**, and **BUYER** notifies **SELLER** of the amount of overproduction within the sixty (60) day period by providing **SELLER** with written evidence of said overproduction, **BUYER** may, at the sole option of the **BUYER**, void the sale of such Property. In the event **BUYER** voids the sale of the Property, **SELLER** shall return to **BUYER** the purchase price plus pay all recording costs associated with

BUYER'S TERMS AND CONDITIONS FOR CHEVRON PROPERTIES

THIS AGREEMENT dated the Intentionally Left Blank day of Intentionally Left Blank, 200 , between **EnergyNet.com, Inc.**, 7201 I-40 West, Suite 319, Amarillo, TX 79106 and Intentionally Left Blank, hereinafter designated as ("**BUYER**"), Intentionally Left Blank (address).

IN CONSIDERATION of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **BUYER** and **EnergyNet.com, Inc.** agree as follows:

PURCHASE OF PROPERTIES IN ONLINE AUCTION OR NEGOTIATING ROOM

BUYER may choose from two alternative methods of purchasing Property under this Agreement: (1) the Online Auction or (2) the Negotiating Room. In the Online Auction, **SELLER** may offer the Property for sale with or without a minimum reserve sales price. A specific date and time are designated for the beginning and ending dates that potential **BUYERS** may bid on the Property. The highest bidder at the ending time and date, whose bid meets the minimum reserve sales price (if any) or whose bid is accepted by **SELLER**, will be obligated to purchase the Property for that price.

BUYER may choose the Negotiating Room as an alternative format for purchasing Properties. In the Negotiating Room, **SELLER** sets an initial asking price for the Property and designates an ending date for the negotiating period. Potential **BUYERS** may make an unlimited number of offers. **SELLER** may lower the asking price to meet a **BUYER'S** offering price. The first **BUYER** whose offering price meets or exceeds **SELLER'S** current asking price will be obligated to purchase the Property for **SELLER'S** current asking price or **BUYER'S** offering price, if higher.

AGREEMENT TO PURCHASE

BUYER hereby agrees to participate either as a bidder in the Online Auction or as offeror in the Negotiating Room for the sale of Oil and Gas Properties on the Website and **EnergyNet.com, Inc.** agrees to allow **BUYER** to participate in the sale based on the following terms and conditions and any additional terms as posted on the Lot, Property Narrative, or Property Information Page and/or Additional Information on the Website:

BUYER'S REPRESENTATIONS, AGREEMENTS, WARRANTIES AND ASSURANCES:

1. SOPHISTICATED, ACCREDITED AND QUALIFIED INVESTOR

BUYER hereby agrees that Properties (hereinafter the "Property" or "Properties" whether used in the singular or plural tense) for sale on the Website are not and will not be registered securities under the Securities Act of 1933, the Securities Exchange Act of 1934 and all applicable State Securities Laws. The **BUYER** hereby acknowledges and agrees that securities exemptions under the applicable Federal and State Laws are based on the **BUYER** being a sophisticated, accredited and qualified investor.

Both the **SELLER** and **EnergyNet.com, Inc.** are offering the Property or Properties for sale only to sophisticated, accredited and qualified **BUYERS**. **BUYER** hereby agrees and acknowledges that any Properties it will acquire will be subject to applicable Federal and State Securities Laws and **BUYER** hereby acknowledges strict compliance with all applicable State and Federal Securities Laws. Therefore, **BUYER** by executing this Agreement to purchase Properties hereby acknowledges and represents:

A. By reason of its knowledge and experience, the **BUYER** or its representative will evaluate the merits and risks of the Properties to be purchased on the Website and will form an opinion based solely upon their knowledge and experience and not upon any statement, representation, or printed material provided or made by **EnergyNet.com, Inc.** and its representatives or **SELLER**.

B. The **BUYER**, being of legal age, has sufficient financial resources in order to bear the risk of loss attendant to the purchase of the Property. "Sufficient Financial Resources" are to be defined as follows:

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Both the **SELLER** and **EnergyNet.com, Inc.** are offering the Property or Properties for sale only to sophisticated, accredited and qualified **BUYERS**. **BUYER** hereby agrees and acknowledges that any Properties it will acquire will be subject to applicable Federal and State Securities Laws and **BUYER** hereby acknowledges strict compliance with all applicable State and Federal Securities Laws. Therefore, **BUYER** by executing this Agreement to purchase Properties hereby acknowledges and represents:

A. By reason of its knowledge and experience, the **BUYER** or its representative will evaluate the merits and risks of the Properties to be purchased on the Website and will form an opinion based solely upon their knowledge and experience and not upon any statement, representation, or printed material provided or made by **EnergyNet.com, Inc.** and its representatives or **SELLER**.

B. The **BUYER**, being of legal age, has sufficient financial resources in order to bear the risk of loss attendant to the purchase of the Property. "Sufficient Financial Resources" are to be defined as follows:

Not less than an annual income of in excess of \$200,000.00 for any individual natural person in each of the two most recent years or joint income with the person's spouse in excess of \$300,000.00 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

OR

Any natural person whose individual net worth or joint net worth with that person's spouse, at the time of his purchase exceeds \$ 1,000,000.00.

OR

A corporation, partnership or business trust not formed for the specific purpose of acquiring the Property or Properties, with total assets in excess of \$5,000,000.00.

C. **BUYER** agrees and acknowledges that if a Purchaser Representative is used, such Purchaser Representative:

- (1) has no business relationships with the **SELLER**;
- (2) represents only the **BUYER** and not the **SELLER**;
- (3) is compensated only by the **BUYER**; and
- (4) is a designated Attorney-in-Fact for **BUYER**, by documentation submitted to **EnergyNet.com, Inc.** prior to sale.

BUYER hereby agrees and acknowledges that **EnergyNet.com, Inc.** has the sole discretionary power to determine that **BUYER** is a qualified and accredited investor as defined above and **BUYER** further acknowledges that this is a continuing right and that **BUYER** may be disqualified at any time by **EnergyNet.com, Inc.**

BUYER acknowledges and agrees that it is under a continuing duty to **EnergyNet.com, Inc.** and **SELLER** to notify the same if **BUYER** subsequently fails to qualify as a sophisticated, qualified and accredited investor, as defined above.

BUYER holds **EnergyNet.com, Inc.** and **SELLER** harmless as to any and all violations of Federal or State Securities Laws which result from any misrepresentation of the **BUYER** being a sophisticated, qualified accredited investor. If it is determined by an applicable regulatory agency that said **BUYER** was not a sophisticated, accredited and qualified investor, **SELLER** can rescind said sale and return 75% of the proceeds to the **BUYER** net of the total commission paid to **EnergyNet.com, Inc.** The remaining 25% of the proceeds may be retained by **SELLER** as liquidated damages and not as a penalty. **BUYER** agrees to indemnify **SELLER** and **EnergyNet.com, Inc.** as to any and all attorneys fees, costs and other damages incurred by the parties in any proceeding which determines that **BUYER** was not a sophisticated, qualified, accredited investor and for any and all attorneys' fees, costs and other damages or expenses arising from **BUYER'S** ownership and, if applicable, operation of the Properties, prior to the time such rescinded properties are conveyed back to **SELLER**.

2. NO VIEW TO RESALE OR DISTRIBUTION

BUYER hereby agrees and acknowledges that it is purchasing said Properties for investment purposes and not for resale of the Properties. If it is determined by an applicable regulatory agency that said **BUYER** was acquiring Properties with a view to resale, **SELLER** can rescind said sale and return 75% of the proceeds to the **BUYER** net of the total commission paid to **EnergyNet.com, Inc.** The remaining 25% of the proceeds may be retained by **SELLER** as liquidated damages and not as a penalty. **BUYER** agrees to indemnify **SELLER** and **EnergyNet.com, Inc.** as to any and all attorneys fees, costs and other damages incurred by the parties in any proceeding which determines that **BUYER** was acquiring Properties with the intent to resell the same and for any and all attorneys' fees, costs and other damages or expenses arising from **BUYER'S** ownership and, if applicable, operation of the Properties, prior to the time such rescinded properties are conveyed back to **SELLER**. **BUYER** further agrees that it is the sole purchaser of any Property acquired by it on the Website and that no Property will be divided between two or more buyers.

3. DUE DILIGENCE AND INDEPENDENT EVALUATION

BUYER hereby acknowledges and agrees that it has the sole responsibility to examine all information concerning ownership, condition and production of the Properties placed for sale on the Website by the **SELLER** or otherwise provided to **BUYER**. Further, **BUYER** acknowledges and agrees that if it requires more information concerning said Properties, **BUYER** must contact **EnergyNet.com, Inc.** or the **SELLER** to obtain requested information prior to the beginning date of the Online Auction or sale in the Negotiating Room. In no event will **SELLER** be required or obligated to provide or deliver to **BUYER** any proprietary or confidential information, including but not limited to geology, geophysical, seismic, or other information, which, in **SELLER'S** opinion, it is prohibited from disclosing by contract or otherwise.

BUYER FURTHER AGREES THAT IT WILL MAKE AN INDEPENDENT EVALUATION OF THE PROPERTY AND ACKNOWLEDGES THAT SELLER AND ENERGYNET.COM, INC. HAVE MADE NO STATEMENTS OR REPRESENTATIONS CONCERNING THE PRESENT OR FUTURE VALUE OF THE FUTURE INCOME, COSTS OR PROFITS, IF ANY, TO BE DERIVED FROM THE PROPERTY.

BUYER FURTHER ACKNOWLEDGES THAT IN MAKING ITS BID OR OFFER, IT HAS RELIED SOLELY UPON ITS INDEPENDENT EXAMINATION OF THE PREMISES AND PUBLIC RECORDS AND **BUYER'S BIDS AND OFFERS ARE BASED SOLELY ON **BUYER'S** INDEPENDENT INSPECTIONS, ESTIMATES, COMPUTATIONS, EVALUATIONS, REPORTS, STUDIES AND KNOWLEDGE OF THE PROPERTIES. ANY AND ALL INFORMATION PROVIDED BY **SELLER** OR ENERGYNET.COM, INC. IN THE PROPERTY INFORMATION SHEET DATA PACKAGES OR OTHERWISE AS WELL AS ANY OTHER INFORMATION PROVIDED BY **SELLER** OR ENERGYNET.COM, INC. AS REQUESTED BY **BUYER** ARE FURNISHED TO **BUYER** AT **BUYER'S** SOLE RISK. ALL INFORMATION PROVIDED BY **SELLER** WAS ONLY AS A CONVENIENCE TO **BUYER** AND IS SUBJECT TO THESE DISCLAIMERS, THOSE IN SECTION 11 AND ANY OTHERS HEREIN. **SELLER** AND ENERGYNET.COM, INC. DO NOT WARRANT OR REPRESENT AS TO THE ACCURACY OR COMPLETENESS OF THE DATA PRESENTED TO THE **BUYER** AND **BUYER** AGREES TO HOLD HARMLESS ENERGYNET.COM, INC. AND **SELLER** FROM ANY RELIANCE BY **BUYER** ON DATA PROVIDED BY THE **SELLER** AND/OR ENERGYNET.COM, INC.**

4. BUYER'S ASSURANCE OF CAPACITY

BUYER represents and warrants to **SELLER** that it is authorized to hold title to the Properties and is in good standing and duly qualified to conduct its business in the jurisdiction where the Properties are located.

If **BUYER** is a partnership, corporation or limited liability company, **BUYER** warrants and represents that the consummation of the transactions contemplated by this Agreement will not violate nor be in conflict with any provision of Articles of Incorporation, By-Laws, Partnership Agreements and/or Management Agreements and that the transactions contemplated by this Agreement have been duly and validly authorized.

If said Property conveys operating rights of the Property, **BUYER** represents and warrants that it is duly bonded and licensed to operate oil and gas wells within any jurisdiction where the Property is located.

5. CONTRACT COMPLIANCE

BUYER further states that it will comply with all applicable Joint Operating Agreements, Unitization Agreements, Communitization Agreements and any other Agreements which pertain to ownership, or if appropriate operation, of the subject Properties. **BUYER** is fully responsible to obtain waivers of uniform maintenance under Joint Operating Agreements, if needed, and will indemnify and hold harmless **EnergyNet.com, Inc.** and **SELLER** if the same are not obtained by **BUYER**, or waived by third parties.

It is further agreed by **BUYER** that it is its sole responsibility to notify any operators and or disburser or disbursers of revenue of any change in ownership.

the sale of said Property. **BUYER** will assist **SELLER** in the drafting and execution of any conveyancing documents reconveying the interest to **SELLER** free and clear of any and all encumbrances created by **BUYER**. **SELLER** will pay all recording fees for such reconveyance. In addition, **SELLER** agrees to pay and will be liable and responsible to pay to **EnergyNet.com, Inc.** a sum equal to the commission which would have been realized on said Property had the sale not been declared void by the **BUYER**, as described and calculated in accordance with Exhibit "C" attached hereto and made a part hereof.

If the sale of any Property is voided, **BUYER** agrees to indemnify **SELLER** for any and all attorneys' fees, costs and other damages or expenses arising from **BUYER'S** ownership and, if applicable, operation of the voided sale Properties prior to the time such voided sale Properties are conveyed back to **SELLER**.

8. PREFERENTIAL RIGHTS

BUYER acknowledges and agrees that certain Properties are subject to preferential rights of purchase, consents or permission to assign by nature of Joint Operating Agreements and other Agreements between third parties and **SELLER**.

BUYER acknowledges and agrees that if **BUYER** is the successful bidder on Properties subject to preferential rights, consents or permissions to assign, **BUYER** is to allow **SELLER** upon the date of sale the right to attempt to obtain waivers of the preferential rights, consents or permissions to assign. **BUYER** agrees to allow **SELLER** the time allowed under the Agreements to attempt to obtain the waivers, consents or permissions to assign or sixty (60) days from date of sale, whichever is later. **SELLER** will notify **BUYER** and **EnergyNet.com, Inc.** of the third party's refusal to consent to assign or, if applicable, desire to purchase said Property on the same terms and conditions which includes the payment of the commission and expenses due to **EnergyNet.com, Inc.** All proceeds paid by **BUYER** will be refunded to the **BUYER** upon **SELLER** receiving a refusal to consent to assignment, or receiving proceeds from the party exercising the preferential right to purchase and, if applicable, upon **BUYER** reconveying the Property subject to the consent to assign to **SELLER** or conveying the portion of the Property affected by such preferential right to the party exercising same.

If Property subject to consents to assign or preferential rights sold to **BUYER** exceeds a total purchase price of \$300,000.00, **BUYER** agrees to tender 25% of the purchase price to the Escrow Bank until such time as the consent to assign is granted or refused and/or the preferential right is exercised or waived by the holders of the same. Upon consent to assign or waiver of preferential rights, **BUYER** will tender the remaining 75% of the gross sales price to the Escrow Bank within two (2) full banking days of notification of such consent or waiver by **SELLER**.

9. ENVIRONMENTAL LIABILITIES

BUYER hereby acknowledges and agrees that upon the effective date of the assignment it will assume all responsibility and liability for any and all losses attributable to any and all environmental events or impacts (including without limitation, damage to property, injury or death of persons or other things, natural resource damages, CERCLA response costs, environmental remediation and restoration, and costs or fines or penalties) arising out of or attributable to, in whole or in part, either directly or indirectly, the ownership, condition or operation of the Properties at any time, whether before or after the effective date of the assignment. **BUYER** acknowledges and agrees that the Properties may have been used for oil and gas operations and that some equipment may contain asbestos and/or naturally occurring radioactive material.

10. ROYALTY, OVERRIDING ROYALTY, WORKING INTEREST, CONTRACTUAL LIABILITIES AND OPERATION LIABILITIES

BUYER hereby acknowledges and agrees that any and all liabilities related to obligations to pay royalties, overriding royalties and contractual obligations under Oil and Gas Leases, Joint Operating Agreements and liabilities associated with the ownership, condition or operation of the subject Properties and accruing after the effective date of the assignment become **BUYER'S** liability from the effective date of the assignment.

11. NO WARRANTIES (EXPRESS OR IMPLIED)

Notwithstanding any provision contained in this Agreement to the contrary, **BUYER** acknowledges and agrees that it is acquiring the Properties, wells, equipment or other property

located thereon from **SELLER** WITHOUT REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS, STATUTORY, OR IMPLIED AS TO DESCRIPTION, TITLE, CONDITION (INCLUDING ENVIRONMENTAL CONDITION), QUALITY, FITNESS FOR A GENERAL OR PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, MERCHANTABILITY, PRODUCTION, RESERVOIR OR WELL PERFORMANCE, SAFETY OR GOVERNMENTAL COMPLIANCE, OR OTHERWISE. **BUYER** acknowledges and agrees that **SELLER** MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE PHYSICAL CONDITION OF THE PROPERTY nor any statements or representation concerning the present or future value of the anticipated income, costs, or profits, if any, to be derived from the Property. **BUYER ACKNOWLEDGES AND AGREES THAT ALL PROPERTY IS SOLD ON AN "AS IS" AND "WHERE IS" CONDITION, WITH ALL FAULTS.** **BUYER** shall to the extent allowed by law have the right of full substitution and subrogation in and to any and all rights and actions of warranty which **SELLER** has or may have against any and all preceding owners or vendors of the Property.

12. TITLE

BUYER hereby acknowledges and agrees that it has the sole responsibility to examine all information concerning title to the Property and to conduct its own independent evaluation to ascertain title to the Properties and to satisfy itself that title is marketable, defensible or acceptable.

BUYER acknowledges and agrees that it will hold **SELLER** and **EnergyNet.com, Inc.** harmless as to accuracy or completeness of any documents of title to the Properties whether or not furnished by **SELLER** or **EnergyNet.com, Inc.** **BUYER** further acknowledges and agrees that **SELLER** does not warrant title either express or implied and all title to the Properties is on an "AS IS," "WHERE IS" basis with all faults.

13. EFFECTIVE DATE, DATE OF SALE AND CLOSING

The date of sale for Properties purchased in the Online Auction is when **BUYER** is declared to be the successful bidder on **SELLER'S** Property as declared by the online auctioneer. The date of sale for Properties purchased in the Negotiating Room is when the winning **BUYER'S** offer meets or exceeds **SELLER'S** current asking price. The date of closing for any Property will be the date on which all funds owed by **BUYER** for the purchase of a Property have been received by the Escrow Bank and **EnergyNet.com, Inc.** has mailed the assignment for recording.

Subject to the limitation in Section 3, **SELLER** will provide to **BUYER** within ten (10) working days after the date of sale copies (whether electronic, photocopy or otherwise) of all files, records, information and data, whether written or electronically stored, relating to the Properties, including without limitation, all leases, contracts, well data, gas contracts and accounting files maintained by the **SELLER** covering the Properties.

BUYER acknowledges and agrees that the effective date of sale is the date reflected in **SELLER'S** assignment, which date will be the first (1st) day of the month after the date of the sale.

BUYER acknowledges and agrees upon notification from **EnergyNet.com, Inc.** of **BUYER'S** successful bid or offer on **SELLER'S** Property, **BUYER** is to tender the total amount of funds required hereunder to purchase the Property to the designated Escrow Bank (currently The Wells Fargo Bank of Amarillo, Texas; provided however, that **EnergyNet.com, Inc.** may, from time to time, at its sole discretion, change the Escrow Bank to another bank) by one of the following methods.

A. Wire transfer from **BUYER'S** bank or financing institution made payable to **EnergyNet.com, Inc.** (the Wells Fargo Bank of Amarillo, Texas as escrow agent).

B. Next day delivery overnight mail from **BUYER** to **EnergyNet.com, Inc.** Funds must be either certified or check pre-approved by **EnergyNet.com, Inc.**, made payable to **EnergyNet.com, Inc.** (the Wells Fargo Bank of Amarillo, Texas, as escrow agent).

C. Hand or carrier delivered to **EnergyNet.com, Inc.** at its offices at 7201 I-40 West, Suite 319, Amarillo, TX, 79106, with funds either certified or check pre-approved by **EnergyNet.com, Inc.**, made payable to **EnergyNet.com, Inc.** (The Wells Fargo Bank of Amarillo, Texas, as escrow agent).

D. In addition to the purchase price **BUYER** will, by payment of any of the methods listed above in paragraph A, B or C and within the time period provided for below, pay the applicable recording fees, sales tax, if any, and handling/administrative fees due **EnergyNet.com, Inc.** associated with **BUYER'S** purchase.

Escrow Bank is to be considered as a depository only for funds escrowed pursuant to this Agreement and it shall hold and disburse such funds solely on the basis of written instructions it receives from **EnergyNet.com, Inc.** Escrow Bank shall be entitled to rely at all times on the written instructions given to it by **EnergyNet.com, Inc.** without any necessity of verifying the authority therefor. Neither **SELLER** nor **BUYER** shall have any authority to give instructions to or otherwise direct the actions of Escrow Bank with respect to the escrowed funds. ESCROW BANK SHALL NOT AT ANY TIME BE HELD LIABLE FOR ACTING IN ACCORDANCE WITH THE WRITTEN INSTRUCTIONS IT RECEIVES FROM **ENERGYNET.COM, INC.** **ENERGYNET.COM, INC.**, **SELLER** AND **BUYER** AGREE TO SAVE AND HOLD ESCROW BANK HARMLESS FROM ANY LOSS AND FROM ANY CLAIMS OR DEMANDS ARISING OUT OF ACTIONS TAKEN OR OMITTED TO BE TAKEN BY ESCROW BANK PURSUANT TO SUCH WRITTEN INSTRUCTIONS AND HEREBY AGREE TO INDEMNIFY ESCROW BANK FROM ANY AND ALL CLAIMS, EXPENSES (INCLUDING ATTORNEY'S FEES INCURRED BY ESCROW BANK) OR DEMANDS FOR LOSSES ARISING OUT OF ITS ACTIVITIES AS ESCROW BANK EXCEPT FOR ACTIVITIES CONSTITUTING WILLFUL MISCONDUCT BY THE ESCROW BANK.

BUYER acknowledges and agrees that **BUYER** shall have two (2) full banking days from the date it is notified of the sale to complete the transfer of funds, unless **SELLER**, **BUYER**, and **EnergyNet.com, Inc.** mutually agree otherwise in writing.

Unless otherwise provided in the assignment to be delivered to **BUYER**:

(a) **BUYER** agrees that **SELLER** is entitled to receive all production (including oil in the tanks), revenues and joint interest billings accrued prior to 7 a.m. on the effective date of the assignment. **BUYER** is entitled to receive all production, revenues and joint interest billings which accrue after the effective date of the assignment.

(b) **BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS AS TO ALL CAUSES OF ACTION, CLAIMS, LOSSES, DAMAGES, INJURIES, COSTS, EXPENSES AND LIABILITIES ACCRUING AFTER THE EFFECTIVE DATE OF THE ASSIGNMENT.**

BUYER acknowledges and agrees that upon disbursement of the escrowed funds in the Escrow Bank, **EnergyNet.com, Inc.** shall immediately receive its commission from Escrow Bank, net of listing fee, if any, as set out on the **EnergyNet.com, Inc.**'s Fees and Commission Schedule as set out in Exhibit "C" on the **SELLER'S** Agreement For the Sale of Oil and Gas Properties.

BUYER agrees that all funds will be held in escrow until **SELLER** provides all executed documents of conveyance and any other documents which are required under the terms of this Agreement or **SELLER'S** Agreement.

BUYER acknowledges and agrees that settlement can be withheld if **SELLER** fails to provide requisite assignments or conveyancing documents to **BUYER** or if **SELLER** fails to obtain waivers of preferential rights, consents to assignments, releases or subordinations of encumbrances or any other duty of **SELLER** to assist or assign the Properties to **BUYER** but only to the extent any Properties are so affected.

BUYER agrees that **SELLER'S** assignment will be recorded by **EnergyNet.com, Inc.** in the appropriate jurisdiction, but in no event will any conveyancing document be recorded prior to receipt of 100% of the purchase price and other sums due from **BUYER**. **EnergyNet.com, Inc.**, within ten (10) banking days of receipt of all funds due from **BUYER** (provided the funds have cleared the Escrow Bank), or when funds are otherwise available for distribution under the terms of this Agreement, and upon receipt of all executed, conveyancing documents and mailing of same for recording, will direct Escrow Bank to release all funds to **EnergyNet.com, Inc.** for disbursement to **SELLER** minus listing fees/commissions and sales tax on listing fees, if any, associated with the sale of **SELLER'S** Properties incurred by **EnergyNet.com, Inc.** **BUYER** agrees that **SELLER** is entitled to receive the interest, if any, accrued on escrow monies held prior to distribution. **BUYER** agrees to pay sales tax, if any, recording fees and **EnergyNet.com, Inc.**'s administrative handling fee.

14. ASSIGNMENT TO CONTROL

BUYER hereby acknowledges and agrees that the assignment to be prepared by **SELLER** is the controlling document over this Agreement as to what interest is conveyed by the **SELLER**. As between **SELLER** and **BUYER** the terms and conditions of the Assignment provided by the **SELLER** and displayed on the Web site with each of **SELLER'S** properties shall supersede and control over any conflicting terms and conditions in this Agreement. Both **BUYER** and **SELLER** have a duty to determine any discrepancies between the assignment and what is represented in the Property information provided. If **SELLER** fails to timely deliver its assignment for examination prior to the sale, **BUYER** agrees to accept such assignment "AS IS" in the form and substance as prepared by **SELLER** when delivered to **EnergyNet.com, Inc.** Subject to Section 6, **BUYER** agrees to hold **EnergyNet.com, Inc.** and **SELLER** harmless as to discrepancies between the assignment and Property information provided.

15. SELLER'S AGREEMENT

BUYER acknowledges and agrees that its purchase of Properties is subject to terms and conditions of the **SELLER'S AGREEMENT FOR THE SALE OF OIL AND GAS PROPERTIES**, substantially in the form attached as Exhibit "A" and hereby states that **BUYER** has read and understands the same. In the event of conflict with same, the **SELLER'S AGREEMENT FOR THE SALE OF OIL AND GAS PROPERTIES SHALL CONTROL**. **BUYER AGREES TO ALL OF SELLER'S WAIVERS, LIMITATIONS, DISCLAIMERS AND REMEDIES THEREIN.**

16. SELLER'S DEFAULT

In the event that **SELLER** defaults for any reason whatsoever, **BUYER'S** sole remedy is against the **SELLER** only. **BUYER** indemnifies and holds harmless **EnergyNet.com, Inc.** as to any and defaults of **SELLER**.

17. BUYER'S DEFAULT

BUYER acknowledges and agrees that if it defaults for any reason after the date of sale but prior to the date of closing and does not tender the requested total purchase funds to the Escrow Bank within the required time, **SELLER** will have the option to do the following:

- A. For sales in the Online Auction declare the sale void and sell the Property to the next highest bidder who has the option to tender the full amount of its bid to the Escrow Bank within two (2) banking days of notification.
- B. For sales in the Negotiating Room, declare the sale void and sell the Property to the party next in time, whose offer meets or exceeds **SELLER'S** asking price.
- C. Remove the Property from the Online Auction or Negotiating Room and, at **SELLER'S** option, resell the Property through **EnergyNet.com, Inc.** at a future date.
- D. In addition, **EnergyNet.com Inc.** may, at its sole option and discretion, terminate the **BUYER'S** Agreement executed by **BUYER** and **BUYER'S** right to participate in any subsequent sale on the Website.

BUYER acknowledges and agrees that the above options are remedies for mitigation of damages and that **SELLER** will have the full right to seek damages against **BUYER** for its failure to tender the total purchase funds bid by the **BUYER**. **BUYER** further agrees that **SELLER** and **EnergyNet.com, Inc.** will be entitled to recover all costs and attorneys fees resulting from the **BUYER'S** breach.

If **BUYER** has tendered full or partial funds (whether pursuant to the preferential rights provisions of this contract or otherwise) and then fails to tender the full total purchase price (whether upon waiver or expiration of the third party rights or otherwise), or otherwise defaults as to other terms and conditions as set forth herein, **EnergyNet.com, Inc.** will be entitled to retain the partial funds towards satisfaction of its total purchase price commission as set out in the **SELLER'S** Agreement. Upon satisfaction of the commission, the remaining funds, if any, will be distributed to the **SELLER** as liquidated damages and not as a penalty. Retention of the partial funds does not release the **BUYER** from any action by the **SELLER** for **BUYER'S** breach and **SELLER** will be allowed the mitigation options as set out above and the right to seek

damages from the **BUYER** for its failure to tender the total purchase funds bid by the **BUYER** or to otherwise comply with its obligations.

18. RESERVE OR MINIMUM RESERVE FOR ONLINE AUCTION

BUYER acknowledges and understands that any Property or Properties placed on the Website for sale in the Online Auction shall be offered for sale in the Online Auction on a basis of "no reserve" or on a basis of "minimum reserve".

For the purpose of this Agreement, a "no reserve" basis sale is defined as **SELLER'S** acceptance of the sale of the Properties with no minimum monetary amount. For the purpose of this Agreement, a "minimum reserve" basis sale is defined as **SELLER'S** request for Properties to be sold for not less than a specified minimum monetary amount. "No reserve" Properties are sold to the highest bidder within the time period set for the Online Auction. "Minimum reserve" Properties are sold to the highest bidder within the time period set for the auction only when the highest bid entered equals or exceeds the minimum monetary amount for the Property. The online auctioneer has the sole discretion to declare the highest bidder, arbitrate disputed bids and declare any changes in the Properties or lots being sold.

All sales are final when the auctioneer declares the **BUYER** to be the highest bidder on the Property.

19. PURCHASER REPRESENTATIVES OF BUYER

BUYER acknowledges and agrees that a pre-approved **BUYER** may, by executed Power of Attorney, designate certain individuals to bid, negotiate, or make offers and purchase Properties in the Online Auction or Negotiating Room.

All Attorneys-in-Fact must be pre-approved by **EnergyNet.com, Inc.** prior to the beginning date of an Online Auction or the Negotiating process.

Compensation, if any, is to be paid solely by the **BUYER** to the representative.

20. INDEMNIFICATIONS

A. As to any breach between **BUYER** and **SELLER** as to the purchase of the Property, it is understood by **BUYER** that **EnergyNet.com, Inc.** and its officers, directors, employees, shareholders, agents, representatives, contractors, successors and assigns are not liable to the **BUYER** for any breach resulting from **SELLER'S** failure to close the properties or any other breach of duty owed to the **BUYER** from the **SELLER** by nature of **SELLER'S** Agreement with **EnergyNet.com, Inc.** or any other Agreements between the parties. **BUYER'S** sole remedy is against the **SELLER**.

B. If prior to the date the escrowed funds are disbursed, a dispute arises between **SELLER** and **BUYER** as to the proper disbursement of such funds to be made by **EnergyNet.com, Inc.**, **EnergyNet.com, Inc.** is hereby authorized to receive from Escrow Bank any commission or other fees payable to **EnergyNet.com, Inc.** as provided for herein and **EnergyNet.com, Inc.** shall direct Escrow Bank to retain the remaining funds until **EnergyNet.com, Inc.** receives written instructions executed by **SELLER** and **BUYER** as to the disposition and disbursement of such funds or until ordered by final court order, decree or judgment, which has not been appealed, to deliver such funds to a particular party, in which event such funds shall be delivered in accordance with such instruction, order, decree or judgment.

C. **BUYER AGREES TO INDEMNIFY ENERGYNET.COM, INC. AND ITS OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS AND REPRESENTATIVES AS TO ANY AND ALL COSTS, LEGAL OR OTHERWISE, RESULTING FROM BREACHES BY BUYER, AS TO ANY AND ALL CAUSES OF ACTION RELATED TO BUYER'S DUTIES UNDER THIS AGREEMENT AND ANY OTHER LOSS OR DAMAGE OCCURRING AS A RESULT OF BUYER'S DUTIES OWED TO THE SELLER OUTSIDE OF THIS AGREEMENT.**

ALL INDEMNIFICATIONS EXTEND TO THE BENEFIT OF THE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, REPRESENTATIVES, AND ASSIGNS OF EACH INDEMNIFIED PARTY. ALL INDEMNITIES SURVIVE THE TERM OF THIS AGREEMENT.

21. TERM OF AGREEMENT

The term of this Agreement, including any subsequent amendments hereto, is for one (1) year from the date **BUYER** executes this Agreement. Notwithstanding this one (1) year term, **BUYER** acknowledges and understands that the terms and provisions of this Agreement may be changed or amended from time to time by **EnergyNet.com, Inc.**, and that **BUYER'S** use of **EnergyNet.com, Inc.**'s Website to bid or make offers on oil and gas properties will be subject to and governed by the terms of the **BUYER'S** Agreement posted on **EnergyNet.com, Inc.**'s website as of seven days prior to the beginning date of the Online Auction or Negotiation Room sale.

BUYER UNDERSTANDS THAT IT IS BUYER'S RESPONSIBILITY AND DUTY TO READ BUYER'S AGREEMENT TO PURCHASE OIL AND GAS PROPERTIES SEVEN DAYS PRIOR TO THE BEGINNING DATE OF ANY AUCTION OR NEGOTIATING ROOM SALE IN WHICH BUYER WISHES TO PARTICIPATE. BY PARTICIPATING IN SUCH ONLINE AUCTION OR NEGOTIATING ROOM BUYER AGREES TO BE BOUND BY THE TERMS OF SUCH BUYER'S AGREEMENT.

22. PAYMENT OF TAXES

For purchases of Properties located in all states except Colorado, New Mexico and Wyoming, **BUYER** agrees that all real estate, use, occupation, ad valorem, personal property taxes and charges on any Property sold to it shall be prorated as of the effective date of the assignment. **SELLER** shall pay all such items for all periods prior to the effective date of the assignment and shall be entitled to all refunds, recoupments, rebates and credits with regard to such periods. **SELLER** shall be responsible for all oil and gas production taxes, windfall profits taxes, and any other similar taxes applicable to hydrocarbons produced from or attributable to the Property sold to **BUYER** prior to the effective date of the assignment, and **BUYER** agrees to be responsible for all such taxes applicable to such hydrocarbons produced from or attributable to the Property sold to it on and after the effective date of the assignment. **SELLER** and **BUYER** believe that a sale of a Property is one occasional sale exempt from sales or use taxes. In the event that any such taxes are assessed against a transaction, **BUYER** agrees to cooperate with **SELLER** in an attempt to eliminate or reduce such taxes. If unsuccessful, **BUYER** agrees to be responsible for any such sales, use and similar taxes arising out of the sale to it of a Property. In that event, **BUYER** agrees to pay **SELLER** any such state and local sales or use taxes, and **SELLER** shall remit such amount to the appropriate taxing authority in accordance with applicable law. **BUYER** agrees to hold harmless and indemnify **SELLER** for any sales or use taxes assessed against **SELLER** by any taxing authority in respect of the sale to **BUYER** of a Property, including the amounts of any penalties, interest and attorney's fees. **BUYER** agrees to pay or reimburse any reasonable legal expenses incurred by **SELLER** to reduce or avoid any of the aforementioned taxes attributable to **BUYER**.

For purchases of Properties located in Colorado, New Mexico and Wyoming, **BUYER** agrees that all real estate, occupation, ad valorem, personal property taxes and charges on any purchased equipment, facilities, plants or other Properties for the current tax year shall be prorated as of the effective date of the assignment. Ad valorem or property taxes on any purchased mineral estate, producing leasehold or produced mineral, which are based on production and/or revenue received and which are taxed in a year following the year of production, shall be subject to proration based on production and revenue received by **BUYER** and **SELLER**. **SELLER** shall be responsible for taxes based on production and revenue received up to the effective date of the assignment, and shall be entitled to all refunds and rebates with regard to such period; **BUYER** agrees to be responsible for taxes based on production and revenue from the effective date of the assignment and thereafter, regardless of the year in which the taxes are due or paid. **SELLER** shall be responsible for all oil and gas severance taxes, production taxes, windfall profits taxes, and any other similar taxes applicable to oil and gas production occurring prior to the effective date of the assignment, and shall be entitled to all refunds and rebates with regard to such period; **BUYER** agrees to be responsible for all such taxes applicable to oil and gas production occurring on and after the effective date of the assignment. **BUYER** agrees to be responsible for all sales, use and similar taxes arising out of the sale to it of the Properties. Prior to the date of closing, **BUYER** agrees to pay **SELLER** all state and local sales or use taxes applicable to that portion of the Properties which is tangible personal property, and **SELLER** shall remit such amount to the appropriate taxing authority in accordance with applicable law, provided, however, that if **BUYER** holds a direct payment permit which is valid at the date of closing, **BUYER** agrees to

assume all responsibility for remitting to the appropriate taxing authority the state and local sales and use taxes due, and shall provide **SELLER** with any exemption certificates or other documentation required under applicable law in lieu of paying **SELLER** the taxes due. **BUYER** agrees to hold harmless and indemnify **SELLER** for any sales or use taxes assessed against **SELLER** by any taxing authority in respect of any sale to **BUYER**, including the amounts of any penalties, interest and attorney's fee. **BUYER** agrees to pay or reimburse any legal expenses incurred by **SELLER** to reduce or avoid any of the aforementioned taxes attributable to **BUYER**.

23. SELLER'S ELECTION TO EFFECT IRC §1031 EXCHANGE

In the event **SELLER** so elects, **BUYER** and **EnergyNet.com, Inc.** agree to cooperate with **SELLER** in effecting a tax-deferred exchange under Internal Revenue Code §1031, as amended. **SELLER** shall have the right to elect this tax-deferred exchange at any time prior to the date funds for a purchase are paid by **BUYER** to **EnergyNet.com, Inc.** If **SELLER** elects to effect a tax deferred exchange, **BUYER** and **EnergyNet.com, Inc.** agree to execute additional escrow instructions, documents, agreements, or instruments to effect the exchange, provided that **BUYER** and **EnergyNet.com, Inc.** shall incur no additional costs, expenses, fees or liabilities as a result of or connected with the exchange.

24. MISCELLANEOUS

24.1 Governing Law and Litigation Costs. **BUYER** and **EnergyNet.com, Inc.** acknowledge and agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas and the exclusive venues for any action arising under this Agreement shall be the Federal District Court in Amarillo or Houston, Texas and the Texas District Court in Potter or Harris County, Texas. The assignment and matters pertaining to the Properties will be governed by and interpreted in accordance with the laws of the states in which the Properties are located. In the event that any party to this Agreement resorts to legal proceedings to enforce this Agreement, the prevailing party in such proceedings shall be entitled to recover all costs incurred by such party, including reasonable attorney fees.

24.2 Severability. **BUYER** and **EnergyNet.com, Inc.** acknowledge and agree that if any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any applicable rule or law, such provision will be ineffective only to the extent of such invalidity, illegality or unenforceability and all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transaction contemplated hereby is not affected in a materially adverse manner with respect to either party.

24.3 Waiver. **BUYER** and **EnergyNet.com, Inc.** acknowledge and agree that no waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other portions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

24.4 Captions. **BUYER** and **EnergyNet.com, Inc.** acknowledge and agree that the titles and headings in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

24.5 Notices. **BUYER** and **EnergyNet.com, Inc.** acknowledge and agree that any notice provided or permitted to be given under this Agreement shall be in writing, and may be served by personal delivery including, without limitation by telecopier or facsimile or by depositing same in the United States mail, addressed to the party to be notified, postage prepaid, and registered or certified with a return receipt requested. Notices deposited in the mail in the manner herein above described shall be decreed to have been given and received upon the date of delivery as shown on the return receipt. Notice served in any other manner shall be deemed to have been given and received only if and when actually received by the addressee. For purposes of notice, the addresses of the parties shall be as follows.

If to: **BUYER:**

Intentionally Left Blank

Intentionally Left Blank

Fax:

If to: **EnergyNet.com, Inc.**
7201 I-40 West, Suite 319
Amarillo, TX 79106
Fax:

The address of any party for notice purposes may be changed by such party by giving two days written notice of such change to all other parties to the Agreement.

24.6 **Entirety and Amendments.** EXCEPT AS SET OUT IN PARAGRAPH 21, NOTWITHSTANDING ANY OTHER LANGUAGE CONTAINED HEREIN TO THE CONTRARY, **BUYER** acknowledges and agrees that this Agreement and all attached Exhibits and the instruments delivered or required to be delivered pursuant hereto supersede all prior negotiations, understandings and Agreements between the parties relating to the subject matter hereof and constitute the entire understanding and Agreement between the parties with respect thereto; and no alterations, modifications, amendments or changes in the Agreement shall be effective or binding unless the same shall be in writing and shall have been executed by **BUYER** and **EnergyNet.com, Inc.**

24.7 **Time is of the Essence.** Time is of the essence in this Agreement.