

personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid, and that the undersigned will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

In Witness Whereof, the undersigned owner and assignor has signed and sealed this instrument this 13th day of March, 1940.

W. H. Mannes

THE STATE OF TEXAS, County of Harris, BEFORE ME, the undersigned authority, a Notary Public in and for Harris County, Texas, on this day personally appeared W. H. Mannes 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.

"L S " Given under my hand and seal of office, this 13th day of March, A. D. 1940.

H. G. Gwinnup Notary Public in and for Harris Co., Texas.

Filed for record at 3:45 o'clock P. M. March 21st, A. D. 1940.

Recorded at 9:20 o'clock A. M. March 23rd, A. D. 1940.

D. B. Hinton Clk. Co. Ct. M. Co. Tex.

By John J. Lusk Deputy

(Int. Rev. Stamp: \$1.00) OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 11th day of March, A. D. 1940, between Tom Petrucha and Julia Petrucha, husband and wife, of Matagorda County, Texas, Lessor (whether one or more), and W. H. Mannes, of Harris County, Texas, Lessee, WITNESSETH:

1. Lessor in consideration of One & No/100 Dollars (\$1.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring propsoecting, drilling and mining for and producing oil, gas and all other minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Matagorda County, Texas, to-wit: 200 acres lying on the West side of Highway No. 60, out of that part of our 1316 acre tract in the F. W. Dempsey League released by W. H. Mannes in Vol. 132, at page 459, Deed Records of said County. Said 200 acres adjoins and lies east of that certain 550 acre tract now under lease to Deep Rock Oil Corporation and is more particularly described as follows: BEGINNING at the S. E. corner of said 550 acre tract; THENCE N. with the East boundary line of said 550 acre tract to the North line of the F. W. Dempsey League; THENCE E. with the North boundary line of the F. W. Dempsey League a sufficient distance so that a line projected in a due south direction and extending to the south boundary line of Petrucha's 1316 acre tract for corner, and THENCE West along the South boundary line of said 1316 acre tract to the place of beginning, will contain within said boundaries 200 acres of land. Lessors agree to correct this description if requested to do so by Lessee and without cost to Lessors.

2. Subject to the other provisions herein contained, this lease shall be for a term Five (5) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where

#7240
O, G & M
L

Tom
Petrucha
et ux

to

W. H. Mannes

produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; and (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. Lessor shall have the privilege at his risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwellings thereon out of any surplus gas not needed for operations hereunder.

4. If operations for drilling are not commenced on said land on or before one year from this date the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender to Lessor or to the credit of Lessor in Bay City Bank & Trust Company Bank at Bay City, Texas (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of Four Hundred & No/100 Dollars (\$400.00) (hereunder called rental), which shall cover the privileges of deferring commencement or drilling operations for a period of twelve (12) months. In like manner and upon like payment or tenders annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rentals may be made by check or draft of Lessee mailed or delivered to said bank, or Lessor; on or before date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument, naming another bank as agent to receive such payment or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to Lessor or to the depository above named or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. In this connection the above described premises shall be treated as comprising 200 acres, whether there be more or less.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three months from date of completion of dry hole or cessation of production. If at the expiration of the primary term oil, gas or other mineral is not being produced on said land but Lessee is then engaged in drilling or re-working operations thereon, the leases shall remain in force so long as operations are prosecuted with no cessation of more than thirty (30) consecutive days, and if they result in the production of oil, gas or other mineral so long thereafter as oil, gas or other mineral is produced from said land.

In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within one hundred fifty (150) feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the lands, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy or recorded instrument evidencing same. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligations arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part save as herein expressly provided. If the obligations for reasonable development should require the drilling of a well or wells, Lessee shall have ninety (90) days after ultimate judicial ascertainment of the existence of such obligation within which to begin the drilling of a well; and the only penalty for failure to do so shall be the termination of this lease save as to ten (10) acres for each well being worked on and/or being drilled and/or producing oil or gas to be selected by Lessee so that each 10-acre tract will embrace one such well.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately.

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

Tom J. Petrucha

Tom Petrucha

Agnes Petrucha

Julia Petrucha - Lessor

THE STATE OF TEXAS, County of Matagorda, Before me, the undersigned authority, on this day personally appeared Tom Petrucha and wife Julia Petrucha, 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. And the said Julia Petrucha, wife of Tom Petrucha having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Julia Petrucha, acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and

consideration therein expressed and that she did not wish to retract it.

"L S " Given under my hand and seal of office this the 12 day of March, A. D. 1940.

Chas. V. Yeamans Notary Public in and for Matagorda County, Texas.

Filed for record at 3:45 o'clock P. M. March 21st, A. D. 1940.

Recorded at 10:45 o'clock A. M. March 23rd, A. D. 1940.

D. B. Hinton Clk.Co.Ct.M.Co.Tex.

By John J. Frick Deputy

#7239 - Assignt of O & G L
W. H. Mannes

to
Deep Rock Oil Corp'n

ASSIGNMENT OF OIL AND GAS LEASE

WHEREAS, on the 11th day of March, A. D. 1940, a certain oil and gas mining lease was made and entered into by and between Tom Petrucha and Julia Petrucha, husband and wife, of Matagorda County, Texas, Lessors and W. H. Mannes, Lessee covering the following described land in the County of Matagorda and State of Texas, to-wit:

200 acres lying on the West side of Highway No. 60, out of that part of our 1316 acre tract in the F. W. Dempsey League released by W. H. Mannes in Vol. 132, at page 459, Deed Records of said County. Said 200 acres adjoins and lies east of that certain 550 acre tract now under lease to Deep Rock Oil Corporation and is more particularly described as follows: BEGINNING at the S. E. corner of said 550 acre tract; THENCE N. with the East boundary line of said 550 acre tract to the North line of the F. W. Dempsey League; THENCE E. with the North boundary line of the F. W. Dempsey League a sufficient distance so that a line projected in a due south direction and extending to the south boundary line of Petrucha's 1316 acre tract for corner, and THENCE West along the South boundary line of said 1316 acre tract to the place of beginning, will contain within said boundaries 200 acres of land. Lessors agree to correct this description if requested to do so by Lessee and without cost to Lessors.

Said lease being recorded in the office of the County Clerk in and for said County in book _ page _, and

Whereas, The said lease and all rights thereunder or incident thereto are now owned by W. H. MANNES

Now, Therefore, for and in consideration of One Dollar (and other good and valuable considerations), the receipt of which is hereby acknowledged, the undersigned, the present owner if the said lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder in so far as it covers all the above described land. together with all personal property used or obtained in connection therewith to H. N. GREIS AS TRUSTEE FOR DEEP ROCK OIL CORPORATION and his heirs, successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, does covenant with the said assignee his heirs, successors, or assigns, that he is the lawful owner of the said lease and rights and interests thereunder and of the personall property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable hereunder have been duly paid and that the undersigned will warrant and defend the same against the lawful claims and demands of all persons whoms oever.

In Witness Whereof, The undersigned owner and assignor has signed this instrument this 20th day of March, 1940.

W. H. Mannes

THE STATE OF TEXAS, COUNTY OF HARRIS, BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. H. MANNES, 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.

"L S " Given under my hand and seal of office this the 20th day of March, A. D. 1940.

H. G. Gwinnup Notary Public in and for Harris County, Texas.

Filed for record at 3:45 o'clock P. M. March 21st, A. D. 1940.

Recorded at 11 o'clock A. M. March 22nd, A. D. 1940.

D. B. Hinton Clk. Co. Ct. M. Co. Tex.

By John J. Frick Deputy

(Int. Rev. Stamp: \$.50)

#7242
Assign.
of Royalty

E. W.
K. Andrau
to

William
Carloss
Morris

WHEREAS, on the 5th day of October, 1935, a certain oil and gas mining lease was made and entered into by and between Irene V. Bean, a feme sole, of Ft. Smith, Sebastain Co., Ark., and Anna L. Draper (also known as Anna L. Glover), a feme sole, of Ft. Smith, Sebastain Co., Ark., Lessor, and W. S. Fairchild, Lessee, covering the following described land in the County of Matagorda and State of Texas, to-wit:

Fifteen (15) acres of land, more or less, described as follows:

FIRST TRACT: Lot #One (1) containing Ten (10) acres of land, more or less, out of the J. W. Magill subdivision of the J. T. Belknap Survey, Abstract No. 113, in Matagorda County, Texas, according to the map or plat of said subdivision of record in the deed records of Matagorda County, Texas, to which reference is here made for all purposes; SECOND TRACT:- Lot #Nine (9) containing Five (5) acres of land, more or less, out of the B. E. Norvell and D. P. Moore subdivision of the J. T. Belknap Survey, Abstract No. 113, in Matagorda County, Texas, according to the map or plat of said subdivision of record in the deed records of Matagorda County, Texas, to which reference is here made for all purposes, and being the same fifteen acres of land described in that certain Warranty Deed in relinquishment of dower from Beulah Glover joined by her husband, R. H. Glover, said deed being recorded in Vol. 76, pages 84-85 deed records of Matagorda County, Texas, to which reference is here made for better description and for all other purposes.

Said lease being recorded in the office of the County Clerk in and for said County in Vol. 107, pages 314-16, and

WHEREAS, by instrument dated the 26th day of November, 1935, said W. S. Fairchild bargained, sold, transferred, assigned and conveyed unto and in favor of E. W. K. Andrau, all rights, title and interest of the original lessee and of the said W. S. Fairchild in and to aforesaid lease and rights thereunder, in so far as it covers an undivided three/sixteenths (3/16ths) interest in the hereinabove described fifteen (15) acre lease.

Said instrument from W. S. Fairchild to E. W. K. Andrau being recorded in the office of the County Clerk in and for said County in Vol. 130, page 61, and

WHEREAS, by instrument dated the 14th day of April, 1939, E. W. K. Andrau bargained, sold, transferred, assigned and conveyed unto and in favor of T. J. Hudgins, all rights, title and interest of the original lessee and of said E. W. K. Andrau in and to the aforesaid fifteen (15) acre lease, being an undivided three/sixteenths (3/16ths) interest in and to the same, reserving unto himself, the said E. W. K. Andrau, however, certain overriding royalties under said lease as follows:

(1) On oil the equal 3/16ths of 1/32nd part of all oil in and under and that may be produced and saved from said land described in and under the terms of said lease, the same to be delivered free of cost to the credit of Assignor into the pipe line to which the wells on said