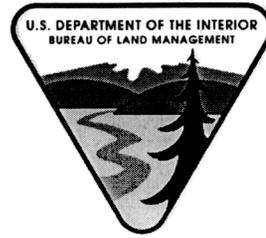
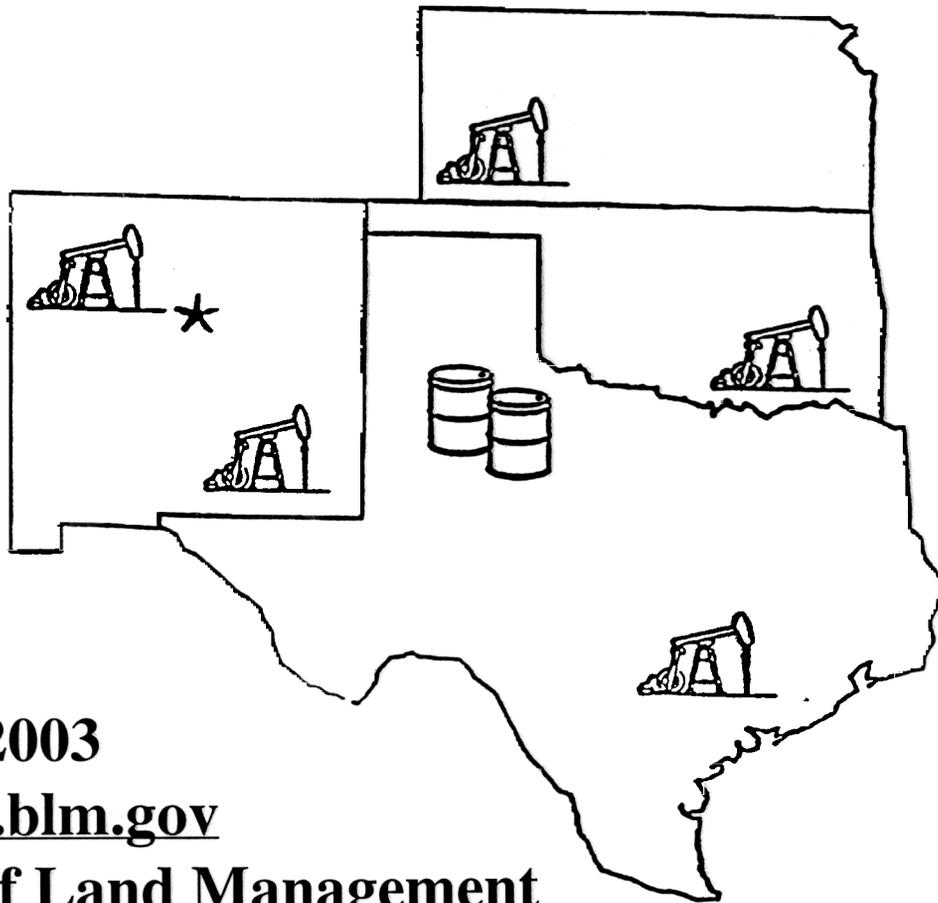


**New Mexico State Office
P.O. Box 27115
Santa Fe, NM 87502-0115**



**Competitive Oil & Gas
Lease Sale**



July 16, 2003

www.nm.blm.gov

Bureau of Land Management

1474 Rodeo Road

Santa Fe, NM 87504



United States Department of the Interior

Bureau of Land Management

New Mexico State Office
1474 Rodeo Road
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.nm.blm.gov

May 23, 2003

IN REPLY REFER TO:
3120 (93200-lbo)

NOTICE OF COMPETITIVE LEASE SALE Oil and Gas

We are pleased to announce that we will offer for competitive sale certain Federal lands in the States of New Mexico, Kansas, Oklahoma, and Texas for oil and gas leasing. This notice describes-

- The time and place of the sale;
- How the sale will be conducted;
- How to participate in the bidding process;
- The sale process;
- How long the sale will last;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale; and
- How to file a pre-sale noncompetitive offer;
- How to file a protest to our offering the lands in this Notice.

Attached to this notice, beginning on page 1, is a list of the lands we are offering. The lands are described by parcel number and legal land description. Next to each parcel we have listed any stipulations that will be made a part of the lease at the time of issuance. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights, have pending pre-sale noncompetitive offers to lease, and are not available for noncompetitive offers to lease if they receive no bid at this sale. For your convenience, we are also including copies of the stipulations, affecting the parcels in this sale notice.

When and where will the sale take place?

- When:** The competitive sale will begin at 9:00 a.m. on Wednesday, July 16, 2003. The sale room will open one hour earlier so you can register and get your bidding number.
- Where:** We will hold the sale at the Bureau of Land Management, New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87504. The sale will be held in the second floor conference room.
- Access:** The sale room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or material in an alternate format, contact the New Mexico State Office, Marcella Montoya at (505) 438-7537 by July 7, 2003.

How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the National minimum acceptable bid.

How do I participate in the bidding process?

To participate in the bidding process, you must fill out a Bidder Registration form identifying the lessee's name and address that will be shown on the lease form and get a bidding number. We will begin registering bidders at 8:00 a.m. on the day of the sale in the Accounts Section. If you plan to bid, you must be registered before the sale begins. You must display your bid number to the auctioneer when you make a bid.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- The auctioneer will offer the parcels in the order they are shown in this Notice.
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid
- The decision of the auctioneer is final.

The minimum bid BLM can accept is \$2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x101 acres).

How long will the sale last?

We begin the sale at 9:00 a.m. and it continues until all of the parcels in this Notice have been offered. The length of the sale depends on the number of parcels we are offering and the pace of the bidding. Normally, the sale is done before noon.

What conditions apply to the lease sale?

-Parcel withdrawal or sale cancellation: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the New Mexico State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before beginning the sale. If we cancel the sale, we will notify you as soon as possible.

-Fractional interests: If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. Conversely, your chargeable acreage and However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2x200 acres) and the advance annual rental will be \$300(\$1.50X200 acres) for the first 5-years and \$400(\$2X200 acres) for the remainder of the lease term. Royalty on production will be calculated on the United States net oil and gas mineral interest.

-Payment due on the day of the sale: For each parcel you are the successful high bidder, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre; the first years' advance annual rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$75. You must make this payment in our Accounts Section at the BLM office either during, or immediately following the sale.

-Remaining payments: If your bonus bid was more than \$2 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must pay the balance of your bonus bid by **4:00 p.m. on July 30, 2003**, which is the 10th working day following the sale. If you do not pay in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

-Forms of payment: You may pay by personal check, certified check, money order, or credit card. Make checks payable to : **"Department of the Interior- BLM."** We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you any extension of time to pay the money that is due the day of the sale.

Bid Form: On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, October 1989 ,or later edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. ***We will not accept any bid form that has information crossed out or is otherwise altered.***

We recommend you get a copy of the bid form and complete all but the money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that :

(1) You and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and

(2) Both of you have complied with 18 U.S. C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

A copy of the bid form is included with this notice.

-Lease terms: A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas is produced in paying quantities on or for the benefit of the lease. Advance rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later edition, copy included).

-Stipulations: Some parcels have special requirements or restrictions which are called stipulations. These are noted with each of the parcels. Stipulations are part of the lease and supercede any inconsistent provisions of the lease form.

-Lease Issuance: After we receive the bid form and all the money due, and, if appropriate, your unit joinder information, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.

-Legal Land Descriptions: We prepared this Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:

-Numbers shown after the Section are a listing of the lots in the parcel.

-Lands are described separately by lots, aliquot parts, tracts, and exceptions to survey for each section.

-LR2000 will code a 2 township as a 2 in the database. This 2 will appear as the last digit in the number. For example, T. 14 1/2N., will appear as T. 0142N.

-Cellular Phone Usage: You are restricted from using cellular phones in the saleroom during the oral auction. You must confine your cellular phone usage to the hallway or area outside the saleroom when the auction is taking place.

-Other Conditions of the Sale: At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

NONCOMPETITIVE OFFERS TO LEASE

What parcels are available for noncompetitive offers to lease?

Unless stated in this notice, parcels that do not receive a bid at the competitive sale are available for noncompetitive offers to lease beginning the first business day following the day of the sale. If not withdrawn, or shown with a noncompetitive Pre-sale offer pending, these parcels are available for noncompetitive offers to lease for a period of two years following the day of the sale.

How do I file a noncompetitive offer after the sale?

If you want to file a noncompetitive offer to lease on an unsold parcel, you must give us-

-Three copies of form 3100-11, Offer to Lease and Lease for Oil and Gas properly completed and signed. **(Note: We will accept copies of the official form, including computer generated forms, that are legible and have no additions, omissions, other changes, or advertising. If you copy this form you must copy both sides on one page. If you copy the form on 2 pages or use an obsolete lease form, we will reject your offer).** You must describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and

-Your payment for the total of the \$75 filing fee and the first year's advance rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the rental amount.

For your convenience, you may leave your noncompetitive offers for any parcel which has received no bid with the Accounts Staff. We consider all offers filed the day of the sale and the first business day after it, for any of the unsold parcels, to be filed as of 9:00 a.m. the first business day following the day of the sale. If a parcel receives more than one offer, we will hold a drawing to select the winner (see 43 CFR 1822.17). We have identified those parcels that have pending presale offers. A noncompetitive presale offer to lease has priority over any other noncompetitive offer to lease filed after the sale.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that-

- Are available, and;
- Have not been under lease during the previous one-year period, or;
- Have not been included in a competitive lease sale within the previous two-year period.

If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, it has priority over any other noncompetitive offer to lease for that parcel filed after the sale. Your presale offer to lease is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the guidance listed above for filing a noncompetitive offer after the sale and the regulations at 43 CFR 3110.1(a).

When is the next competitive oil and gas lease sale scheduled?

We have tentatively scheduled our next competitive sale for October 22, 2003. Please send nominations for that sale by June 13, 2003.

How can I find out the results of this sale?

We will post the sale results in the New Mexico State Office Information Access Center (Public Room). You can buy (\$5) a printed copy of the results by contacting our Accounts Staff, at (505) 438-7462. The list is also available on our public internet website:

<http://www.nm.blm.gov>

May I protest BLM's Decision to offer the lands in this notice for lease?

-If you are adversely affected by our decision to offer the lands in this Notice for lease, you may protest the decision to the State Director under regulations 43 CFR 3120.1-3. You must submit your protest in writing to the State Director prior to the day of the sale. Generally, if we are unable to decide the protest before the sale, we will hold the sale while we consider the merits of your protest.

-You may review the decision to offer the lands for lease and the supporting National Environmental Policy Act documents at our New Mexico State Office Business Information

Access Center. Our office hours are from 8:00 a.m. to 4:00 p.m. Monday through Friday, except on National Holidays.

Inclement Weather Conditions

On occasion the Santa Fe area will have an abundance of snow or other weather conditions that prohibit the staff to make it to work safely at regular scheduled business hours. In the event of hazardous weather, please tune in to local television or radio stations. The Bureau of Land Management (BLM), New Mexico State Office follows the direction given to the Santa Fe, State of New Mexico Employees. If a 2-hour delay is broadcast for State Employees, BLM will also have a 2-hour delay.

The procedure for future Oil and Gas Lease Sales scheduled on a business day with a 2-hour delay or the Office is closed for Business the BLM will proceed as follows:

1. In the event of a 2-hour delay - the doors to the BLM, NMSO will remain locked until 9:30 a.m.. The Oil and Gas Lease Sale will begin at 11:00 a.m. with registration starting at 10:00 a.m., please call in the recorded information on delays at (505) 438-7400.
2. In the event that the BLM office is CLOSED for Business on the day of an Oil and Gas Lease Sale, the sale will be cancelled and rescheduled at a later date. Please call in for recorded information on closures at (505) 438-7400.

Every effort will be made to post the information on delays of Closed for Business on the main entrance exterior doors of the building.

Your safety and the safety of our BLM employees is our major concern.

Power Outages

In the event of a power outage, the office will be CLOSED.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7565 or 438-7530.

/s/Lourdes B. Ortiz

*Lourdes B. Ortiz
Land Law Examiner
Fluids Adjudication Team*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (*reverse*) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Name
Street
City, State, Zip Code

2. This application/offer/lease is for: (*Check only One*) PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: _____ *Parcel No.: _____ *Sale Date (m/d/y): _____ / _____ / _____
***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee \$ _____

Rental fee \$ _____

Total acres applied for _____
Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. _____ R. _____ Meridian _____ State _____ County _____

Total acres in lease _____
Rental retained \$ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (*except helium*) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

THE UNITED STATES OF AMERICA

Noncompetitive lease (ten years)

by _____
(Signing Officer)

Competitive lease (ten years)

(Title) (Date)

Other _____

EFFECTIVE DATE OF LEASE _____

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 _____.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½ %;
- (b) Competitive lease, 12½ %;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COMPETITIVE OIL AND GAS OR
GEOTHERMAL RESOURCES LEASE BID
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;
30 U.S.C. 1001-1025; 42 U.S.C. 6508

FORM APPROVED
OMB NO. 1004-0074
Expires: May 31, 2000

		State	Date of sale
PARCEL NUMBER		AMOUNT OF BID (See Instructions below)	
		TOTAL BID	PAYMENT SUBMITTED WITH BID
THE BID IS FOR (Check one) :			
<input type="checkbox"/> Oil and Gas Parcel Number _____			
<input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____			

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

Print or Type Name of Lessee			Signature of Lessee or Bidder		
Address of Lessee					
City	State	Zip Code			

INSTRUCTIONS

INSTRUCTIONS FOR OIL AND GAS BID
(Except NPR-A)

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the *Notice of Competitive Lease Sale*.
2. Bid **must** be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance **must** be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, **must** be submitted to the proper BLM office within 10 working days after the last day of the oral auction. **Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.**
3. If bidder is **not** the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.
4. This bid may be executed (*signed*) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

INSTRUCTIONS FOR GEOTHERMAL OR
NPR-A OIL AND GAS BID

1. Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.
2. Bid **must** be accompanied by one-fifth of the total amount of bid. The remittance **must** be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
3. Mark envelope Bid for Geothermal Resources Lease in (*Name of KGRA*) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the *Notice of Competitive Lease Sale*.
5. If bidder is **not** the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

OFFICIAL FILE COPY

Form 3000-2 (July 1997)

QUALIFICATIONS

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (including partnerships and trusts) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE: The information is to be used to process your bid.

ROUTINE USES: (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220..

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit..

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 2 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (WO-630), 1620 L Street, Washington, D.C. 20036 and the Office of Management and Budget, Desk Officer for the Interior Department, Office of Regulatory Affairs (1004-0074), Washington, D.C. 20503.

**PLEASE FILL IN THE NAME AND ADDRESS AS IT SHOULD
APPEAR ON THE ISSUED LEASE**

NEW BIDDER REGISTRATION FORM

**BIDDER NO. _____
(Leave Blank)**

NAME: _____

TELEPHONE: _____

ADDRESS: _____

CITY: _____

STATE: _____ ZIP CODE: _____

E-MAIL ADDRESS: _____

**THE LESSEE MUST BE QUALIFIED TO HOLD A FEDERAL OIL
AND GAS LEASE.**

SIGNATURE

DATE



United States Department of the Interior

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO:
3120 (NM930-gsb)

NOTICE

The Bureau of Land Management will hold four (4) Competitive Oil and Gas Lease Sales during Fiscal Year 2004. The tentative scheduled dates are shown below:

<u>Sale Date(s)</u>	<u>Team Lead Expression of Interest (EOI) For Sale</u>	<u>Closing Date(s)*</u>	<u>Mailed to the Public</u>
10/22/2003	Gloria	06/13/2003	08/28/2003
01/21/2004	Berna	09/12/2003	11/18/2003
04/21/2004	Lou	12/12/2003	02/26/2004
07/21/2004	Gloria	03/12/2004	05/20/2004

*Federal lands administered by an agency outside of the Department of the Interior require Surface Management Agency (SMA) consent. Meeting the closing dates does NOT guarantee your EOI will be on the scheduled sale date.

You may request to receive the Oil and Gas Lease Sale Notice to check whether the lands are being offered. Contact our Accounts Section at (505) 438-7462 to be placed on our mailing list by either opening a declining deposit account with a minimum amount of \$50.00 or you may purchase a single Sale Notice for \$5.00 each plus postage and handling.

Every effort will be made to offer your EOI in a timely manner.

/s/ Gloria S. Baca

Gloria S. Baca
Land Law Examiner
Fluids Adjudication Team

**PARCELS WITH PRESALE OFFERS
AND
PARCELS WITHOUT PRESALE OFFERS**

07/16/2003 LEASE SALE

STATE	PARCELS WITH PRESALE OFFER	PARCELS WITHOUT A PRESALE OFFER	TOTAL PARCELS	ACRES WITH PRESALE OFFER	ACRES WITHOUT A PRESALE OFFER	TOTAL ACRES
NM	65	30	95	101,197.560	18,743.310	119,940.870
KS	1	6	7	160.000	2,968.650	3,128.650
OK	0	4	4	0.000	274.280	274.280
TX	0	20	20	0.000	26,688.090	26,688.090
TOTALS	66	60	126	101,357.560	48,674.330	150,031.890

**U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
JULY 16, 2003 OIL AND GAS LEASE SALE**

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307001 KS ELLSWORTH 6TH 100.00%	16S	07W	04 04 09 09	TRS C301-1,C301-2; C301E-1,C302,C304; TRS C305,C306,C308; C307E-1,C307E-2,C307E-3;	808.790 KS(COE)-GR KS(COE)-LC KS(COE)-SDS KS(COE)-WLL	A	N
CORPS OF ENGINEERS KANOPOLIS LAKE							
200307002 KS ELLSWORTH 6TH 100.00%	16S	07W	05 06 07 08 18	TRS C303,C310,C313,C316; TRS C314,C315,C317; TRS C318,C319,C320; TR C309; TR C321;	1,300.780 KS(COE)-GR KS(COE)-LC KS(COE)-SDS KS(COE)-WLL	A	N
CORPS OF ENGINEERS KANOPOLIS LAKE							
200307003 KS MEADE 6TH 100.00%	33S	29W	09	E2NE;	80.000 KSNM 77165	P	N
200307004 KS MORTON 6TH 100.00%	34S	40W	04	SW;	160.000 FS1 FS2(KS)(LN1) KSNM 90559	A	N
CIMARRON NATIONAL GRASSLANDS							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307005 KS MORTON 6TH 100.00%	33S	41W	15	SW;	160.000 FS1 FS2(KS)(LN1) FS2(KS)(CSU3) FS2(KS)(NSO3) KSNM 92129	A	N
CIMARRON NATIONAL GRASSLANDS							
200307006 KS HAMILTON 6TH 100.00%	22S	42W	30 30	1,2,3,4; NE,E2W2;	459.080 KSW 65768 KSNM 83133	P	N
200307007 KS MORTON 6TH 100.00%	34S	43W	25	NE;	160.000 FS1 FS2(KS)(LN1) KSNM 67963	A	N
CIMARRON NATIONAL GRASSLANDS							
200307008 NM GUADALUPE NMPM 100.00%	09N	19E	13 14 15 17 17 18 18 19 19 20	N2; NENE,NWNW,S2N2,SW; NENE,NWNW,S2N2,S2; 1,2,3,4; S2NE,SENW,N2S2,SWSW; 1,2,3,4; SESW,E2SE,SWSE; 1; E2E2,NWNE,NENW; W2NW,NWSW,S2SE;	2,434.470 SENM-S-25: SECS.17,18,19,20 NMNM 36812 NMNM 36813 NMNM 42476 NMNM 45746	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110159</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307009 NM GUADALUPE NMPM 100.00%	09N	19E	21 22 23 24 25	NE,N2NW,SWSW,N2SE; ALL; NENE,W2E2,W2,SESE; SWNE,NWSW,S2S2,NWSE; ALL;	2,480.000 SENM-S-25 NMNM 36450 NMNM 36813 NMNM 42476 NMNM 45746	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110159</u>							
200307010 NM GUADALUPE NMPM 100.00%	09N	20E	14 15 17 18 18	W2NE,SENE,N2NW,W2SW; NWNE,N2S2,SESE; S2NE,S2SW,SE; 1,2,4; N2NE,E2NW,SESW,NWSE;	1,198.550 SENM-S-19: SECS.14,15,18 SENM-S-25 NMNM 42477 NMNM 43356 NMNM 43632 NMNM 54092	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110160</u>							
200307011 NM GUADALUPE NMPM 100.00%	09N	21E	05 19 19 20 24 25 26 27 28 29 30 31 31 34	SESE; 1,2,3,4; NWNE,NENW,E2SW,W2SE; W2SE; 4; SWNE,NW; S2NE,NW,NWSW; NE,E2NW,NWNW,NESW,N2SE; N2NE,SWNE,NWSE; NWNE; E2; 1; NE,E2NW,NESW; NESW,NWSE;	2,351.940 SENM-S-17 SENM-S-18 SENM-S-19:SEC.30:E2 SENM-S-20: SEC.28:SWNE NMNM 43357 NMNM 43631 NMNM 43632	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110161</u>							

ADDL STIPULATIONS:
SENM-S-25 APPLIES TO
SECS. 5, 24-31 & 34

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307012 NM GUADALUPE NMPM 100.00%	09N	22E	03 04 05 08 09 10 11 17	1,2,3,4; 3,4; 1; 2,3,4; S2NE,SWNW,S2; NW; NE; 1,2,3,4;	1,405.600 SENM-LN-1 SENM-S-20:SEC.3:LOT 3,4 SEC. 11: NE SENM-S-21 SENM-S-25 NMNM 25980	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110162</u>							
200307013 NM GUADALUPE NMPM 100.00%	09N	22E	20 28 29 32 33 34	1,2,4,5,6; W2NW,SENW; E2NE,NWNW,NESE; NENW,N2SW,NWSE; SENE; NWNE,NW,N2SW;	962.500 SENM-LN-1:SECS.28,32-34 SENM-S-20:SEC.20:L2 SEC.33:SENE SEC.34:NWNE,NW SENM-S-21:SECS.28,32-34 NMNM 25980	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110162</u>							
200307014 NM GUADALUPE NMPM 100.00%	09N	23E	24 25 34 35	SE; NE; SESW,S2SE; SWSW;	480.000 SENM-S-25 NMNM 61851 NMNM 71503	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110163</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307017	12N	23E	01	3,4;	1,743.510	P	N
NM			01	SWNW;			
SAN MIGUEL			02	4;			
NMPM			03	SENW,N2SW;			
100.00%			05	S2NW;			
			12	SENE,NESE;			
			13	E2NE,S2SW,SE;			
			14	SWNE;	NMNM 25982		
			24	NE,NENW,W2SE;	NMNM 53485		
			25	W2E2,NESW,SESE;			
			27	SESE;			
			29	1;			
			30	1,2,3;			
			34	E2NE,SENW;			
			35	S2NE,SENW;			
					<u>PENDING PRESALE OFFER NO. NMNM 110185</u>		
200307018	08N	24E	01	SENE;	295.520	P	N
NM			05	SWNE,NWSE;			
GUADALUPE			06	6,7;	SENM-LN-1		
NMPM			06	E2SW;	SENM-S-21		
100.00%			17	SWNE;	SENM-S-25		
					NMNM 84807		
					NMNM 86709		
					<u>PENDING PRESALE OFFER NO. NMNM 110150</u>		
200307019	09N	24E	02	2;	1,240.340	P	N
NM			03	S2NE,N2SE,SWSE;			
GUADALUPE			07	1,2;	SENM-S-17:		
NMPM			10	N2NE,SENE;	SEC.03:S2NE,N2SE		
100.00%			11	S2NE,SENW,NWSE;	SEC.10:SENE		
			12	NENE;	SENM-S-20:SEC.07:LOT 2		
			14	NWNW;	SENM-S-25:SECS.3 & 20		
			15	NWNE,NENW,SE;			
			20	W2;			
					<u>PENDING PRESALE OFFER NO. NMNM 110164</u>		

PRIOR LEASE NOS.:
 NMNM 25977
 NMNM 25978
 NMNM 25979
 NMNM 27823
 NMNM 38030
 NMNM 70387

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307020	10N	24E	19	1,2,3;	1,740.960	P	N
NM			19	NENE;			
GUADALUPE			20	NENE,W2W2,SESW;	SENM-LN-1:SECS.21-26,		
NMPM			21	N2NE;	28,29 & 34		
100.00%			22	NE;	SENM-S-17:SEC.34:W2SE		
			23	N2,N2S2;	SENM-S-20:		
			24	W2SW;	SEC.34:NENW		
			25	SWSW;			
			26	SESW,SE;	NMNM 25974		
			28	NWNE;	NMNM 25977		
			29	1,3;			
			34	SENE,NENW,NESE,W2SE;			

PENDING PRESALE OFFER NO. NMNM 110170

200307021	11N	24E	01	1,2,3;	1,880.600	P	N
NM			01	S2NE,SESW,E2SW,SE;			
GUADALUPE			03	1,2,3,4;	SENM-S-17:		
NMPM			03	S2N2,E2SW,SE;	SEC.01:L1,2,S2NE,		
100.00%			10	E2NW;	SESW,E2SW,SE		
			11	S2;	SEC.03:L1,2,S2N2,SE		
			12	N2,W2SW,NWSE;	SECS.10 & 11		
					SEC.12:N2		
					SENM-S-25		
					NMNM 25963		
					NMNM 25973		

PENDING PRESALE OFFER NO. NMNM 110177

200307022	11N	24E	04	1,2,3,4;	1,435.630	P	N
NM			04	S2N2,S2;			
GUADALUPE			05	1;	SENM-S-17:		
NMPM			05	SESW,SESW;	SEC.04:L4,S2N2,S2		
100.00%			07	1,2,3,4;	SEC.05		
			07	NENE,W2NE,E2W2,SESE;	SEC.07:L1-4,NENE,		
			08	NENE,NENW;	W2NE,E2W2		
			09	NENE,NWNW,SESE;	SEC.08:NENE		
					SEC.09		
					SENM-S-25		

PENDING PRESALE OFFER NO. NMNM 110177

PRIOR LEASE NOS.:
NMNM 25963
NMNM 28113

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307023	11N	24E	13	SWNE,E2NW,NWNW,SESW;	1,665.130	P	N
NM			14	NWNE,NESW,W2SW,SESE;			
GUADALUPE			19	4;	SENM-S-17:SEC.13		
NMPM			19	E2NE,SESW;	SEC.14:NWNE		
100.00%			20	SWNW,W2SW,SESW;	SENM-S-20: SEC.14:W2SW		
			24	W2,W2SE;	SEC.24:W2		
			30	3,4;	SEC.14:W2SW		
			30	E2W2;	SENM-S-25		
			31	1,4;			
			31	NE,NENW,SESW;			

PENDING PRESALE OFFER NO. NMNM 110177

PRIOR LEASE NOS.:
NMNM 25973
NMNM 25974
NMNM 25976

200307024	12N	24E	01	2;	2,477.660	P	N
NM			01	NESW,W2SW,NWSE;			
SAN MIGUEL			02	4;			
NMPM			02	S2SW;			
100.00%			03	4;			
			03	SWNW;			
			04	1;	NMNM 25907		
			04	SENE,SESW;	NMNM 25968		
			05	SENW,SWSW;	NMNM 36301		
			06	1;	NMNM 52184		
			06	SESW;	NMNM 53485		
			07	2,3;			
			08	SESE;			
			09	NESW;			
			10	S2NW,S2;			
			11	ALL;			
			12	NWNW;			
			17	E2NE,SWNE,SENW,E2SW;			
			17	SWSW,SE;			
			18	SWNE,NESW,SESE;			

PENDING PRESALE OFFER NO. NMNM 110186

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307025	13N	24E	26	S2SW,SWSE;	640.000	P	N
NM			33	SESE;			
SAN MIGUEL			34	SENE,SW,N2SE;			
NMPM			35	N2NE,NENW,NESW,NWSE;			
100.00%							
					NMNM 43892		
					<u>PENDING PRESALE OFFER NO. NMNM 110192</u>		
200307026	08N	25E	04	3,4;	2,310.850	P	N
NM			04	S2NW;			
GUADALUPE			20	S2SE;	SENM-S-17*		
NMPM			21	SWSW,NWSE;	SENM-S-20**		
100.00%			22	SENE;	SENM-S-25		
			24	E2E2;			
			25	E2NE,SWNE;			
			26	SE;	NMNM 21252		
			27	S2SW,E2SE;	NMNM 35532		
			28	NW,N2SW,W2SE,SESE;	NMNM 55809		
			29	E2NE,N2SE;	NMNM 57421		
			32	S2SE;			
			33	N2SW;			
			34	NENE,NENW,S2SE;			
			35	NE,S2;			
STIPULATIONS APPLIED TO PARCEL:							
*SENM-S-17:							
SEC.25							
SEC.28: N2SW,W2SE							
SEC.29: N2SE							
SEC.33							
**SENM-S-20:							
SEC.21: NWSE							
SEC.35: NE							
200307027	09N	25E	01	1,2,3,4;	1,040.730	P	N
NM			01	S2NE,SWNW,SESW;			
GUADALUPE			03	SESW,NESE,S2SE;	SENM-S-17:SEC.13		
NMPM			10	SW;	SENM-S-25		
100.00%			13	SENE;			
			29	SWSW;			
			30	1;	NMNM 29335		
			30	NWSE,S2SE;	NMNM 33904		
			33	SW;	NMNM 35532		
					NMNM 38030		
					NMNM 66545		
					<u>PENDING PRESALE OFFER NO. NMNM 110165</u>		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307028 NM GUADALUPE NMPM 100.00%	10N	25E	01 06 09 10 11 12 13 17 18	SESW,NESE; 4,5; NESE; NENE; NWNE,S2NE,NW,NWSW,N2SE; NENE,S2NE,NENW,N2SW; NESW; N2,SW; NE;	1,560.680 SENM-S-17:SEC.11 SENM-S-20: SEC.17:SW SENM-S-25:SECS.9,17,18 NMNM 25975 NMNM 31228 NMNM 66546	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110171</u>							

200307029 NM GUADALUPE NMPM 100.00%	10N	25E	20 29 30 31 32 35	NE,E2NW,W2SE; W2NE,E2NW; NWSE; NESW,SE; NENW,S2NW,SW,N2SE; E2E2,SWSE;	1,280.000 SENM-S-17:SEC.20:NE,E2NW SEC.29 SENM-S-25:SECS.20,29-32 NMNM 25977 NMNM 31228 NMNM 46194 NMNM 66545	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110171</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307030	11N	25E	03	2;	2,035.050	P	N
NM			03	SWNE;			
GUADALUPE			06	3,7;	SENM-S-17*		
NMPM			06	SENW,E2SW;	SENM-S-25		
100.00%			07	1,2,3;			
			07	W2NE,E2NW,NESW,NWSE;			
			08	NW,S2SW;			
			17	E2E2,W2NE,E2W2;	NMNM 25969		
			17	SWNW,SWSW,SWSE;	NMNM 25975		
			18	SENE,E2SE;			
			19	E2NE,NESE;			
			20	NENE,NWNW,S2N2,NWSW;			
			21	W2NW,NWSW;			

PENDING PRESALE OFFER NO. NMNM 110178

*SENM-S-17 APPLIES TO:
 SEC.03
 SEC.06
 SEC.07: L2,3, W2NE,E2NW
 SEC.08: S2SW
 SEC.17: E2E2,E2W2,SWNW,SWSW,SWSE
 SEC.18: SENE,E2SE
 SEC.19: E2NE
 SEC.21: W2NW

200307031	11N	25E	22	SESE;	1,320.570	P	N
NM			25	N2SW;			
GUADALUPE			26	S2NE,E2NW,SE;	SENM-S-17:SEC.22		
NMPM			27	NENW,SW;	SEC.27:SW SEC.28		
100.00%			28	SESW,E2SE,SWSE;	SENM-S-19:SEC.26:SE		
			31	3;	SENM-S-20:SEC.34:SW		
			32	SESW;	SENM-S-25		
			33	SESE;			
			34	SW,N2SE;	NMNM 25975		
			35	SW;			

PENDING PRESALE OFFER NO. NMNM 110178

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307032	12N	25E	02	4;	2,397.000	P	N
NM			02	SWNW,NWSW;			
SAN MIGUEL			03	2,3,4;			
NMPM			03	S2N2,SW,N2SE;			
100.00%			04	1;			
			04	SENE,E2SE,NWSE;			
			05	4;			
			05	SWNW,SWSW,SWSE;	NMNM 25967		
			06	7;	NMNM 25970		
			06	E2SW,NESE;	NMNM 36302		
			07	1,2;			
			07	E2NW,SESE;			
			09	E2E2,NWSW,SWSE;			<u>PENDING PRESALE OFFER NO. NMNM 110187</u>
			10	SWNE,W2,NESE,W2SE;			
			11	SESE;			
			12	SWNW,S2SW,SE;			

200307033	12N	25E	13	N2,N2S2,SESE;	1,798.410	P	N
NM			14	NENE;			
SAN MIGUEL			15	SWNE,SENW,E2SW,SE;			
NMPM			17	NENE;			
100.00%			19	1,4;			
			23	SW,W2SE;			
			24	SWNE,NWNW;			
			26	SWNE,S2NW,N2SW,NWSE;	NMNM 25969		
			27	N2SE;	NMNM 25970		
			30	1,2,3;	NMNM 36302		
			30	NESW;	NMNM 36566		
							<u>PENDING PRESALE OFFER NO. NMNM 110187</u>

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307034	13N	25E	19	1,2;	2,434.160	P	N
NM			19	SENW;			
SAN MIGUEL			21	E2SE;			
NMPM			22	SENE,S2NW,SW,SESE;			
100.00%			25	1;			
			26	W2NW,SENW,S2SW,SESE;			
			27	W2NE,W2;			
			28	SE;	NMNM 43893		
			29	SWNE,SWNW,N2SW;	NMNM 43894		
			30	2,3;			
			30	S2NE,NESE,W2SE;			
			31	1,2,3;			
			31	NENW;			<u>PENDING PRESALE OFFER NO. NMNM 110193</u>
			33	NE,NENW;			
			34	SWNW,W2SE;			
			35	NENE,N2NW,SWSW;			

200307035	08N	26E	01	1,2,3,4;	1,993.190	P	N
NM			01	N2SE;			
GUADALUPE			03	1,2,3,4;	SENM-S-17*		
NMPM			03	S2NE,SENW;	SENM-S-19:SEC.09		
100.00%			04	1;	SENM-S-25		
			04	SWSE;			
			05	SWNW,W2SW;			
			08	NWNE,S2NE,NW,S2;	NMNM 23814		
			09	SESW;	NMNM 57425		
			17	W2;			
			18	E2E2;			

PENDING PRESALE OFFER NO. NMNM 110152

*SENM-S-17:
SEC.01: LOTS 2-4,N2SE
SEC.03
SEC.04: LOT 1
SEC.05
SEC.08
SEC.17
SEC.18

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307036	08N	26E	19	1,2,3,4;	1,677.670	P	N
NM			19	NENE,W2E2,E2W2,SESE;			
GUADALUPE			24	S2SE;	SENM-S-17:SEC.19:L1,2,		
NMPM			25	E2;	NENE,W2E2,E2W2		
100.00%			27	SWNW,NWSW;			
			28	W2SE;			
			30	1;			
			30	NENW;	NMNM 23814		
			32	N2SW;	NMNM 29668		
			33	N2NE;	NMNM 57424		
			34	NW;	NMNM 57425		
			35	SE;			
<u>PENDING PRESALE OFFER NO. NMNM 110152</u>							
200307037	09N	26E	09	SW,W2SE;	2,439.730	P	N
NM			10	E2,NESW;			
GUADALUPE			15	NENE,W2NW,NWSW;	SENM-S-17*		
NMPM			17	NENE;	SENM-S-25:SECS.9&10		
100.00%			18	1,2;			
			18	NE,E2NW,N2SE;			
			19	S2NE,N2SE;			
			20	E2NE,SWNE,E2NW,NWNW,W2SW;	NMNM 23815		
			20	SESW,SE;	NMNM 29335		
			21	W2NE,W2,SE;	NMNM 69104		
<u>PENDING PRESALE OFFER NO. NMNM 110166</u>							
*SENM-S-17 APPLIES TO:							
SEC.09: SW							
SEC.10: E2							
SEC.17							
SEC.18: E2NW							
SEC.19							
SEC.20: E2NW,NWNW,W2SW,SESW							
SEC.21							
200307038	09N	26E	11	ALL;	2,280.000	P	N
NM			12	SWNE,W2NW,SENW,S2;			
GUADALUPE			13	ALL;	NM-9		
NMPM			14	E2,E2W2,NWNW;	SENM-S-25:SECS.11&12		
100.00%							
<u>PENDING PRESALE OFFER NO. NMNM 70096</u>							
<u>PENDING PRESALE OFFER NO. NMNM 110166</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307039	09N	26E	22	NE,E2W2,W2SW,N2SE,SESE;	2,200.000	P	N
NM			23	E2NE,S2NW,S2;			
GUADALUPE			24	N2NE,NENW,W2W2;	NM-9: SEC.23		
NMPM			27	NWNE,SENE,N2NW,SW;	SEC.24: W2W2		
100.00%			35	N2,N2SW,SESW,SE;	SEC.27: NWNE,N2NW		
					SENM-S-17*		
					SENM-S-25		
					NMNM 23815		
					NMNM 63518		
					NMNM 70097		
					NMNM 70805		
					<u>PENDING PRESALE OFFER NO. NMNM 110166</u>		

*SENM-S-17 APPLIES TO:
SEC.22
SEC.27: SENE,SW

200307040	09N	26E	28	ALL;	1,920.000	P	N
NM			29	NE,E2NW,S2;			
GUADALUPE			32	E2SW;	NM-9*		
NMPM			33	NENW;	SENM-S-17:SEC.32,34		
100.00%			34	NE,E2NW,NWNW,S2;	SENM-S-25		
					NMNM 29335		
					NMNM 63518		
					<u>PENDING PRESALE OFFER NO. NMNM 110166</u>		

*NM-9 APPLIES TO:
SECS.28,29,33
SEC.34: E2NW,NWNW,S2

200307041	10N	26E	07	3,4;	567.700	P	N
NM			30	1,2,4;			
GUADALUPE			30	E2NW,E2SE,SWSE;	SENM-S-25		
NMPM			31	1,2,3,4;			
100.00%					NMNM 66849		
					NMNM 84937		
					<u>PENDING PRESALE OFFER NO. NMNM 110172</u>		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307042	11N	26E	03	1,3,4;	1,202.720	P	N
NM			03	NWSW,SESW;			
GUADALUPE			04	3,4;	SENM-S-17*		
NMPM			04	SWNW,N2SW,W2SE;	SENM-S-25		
100.00%			05	1;			
			05	S2NE;			
			10	1;			
			22	S2SW,W2SE;	NMNM 25966		
			24	1,2,3;	NMNM 84938		
			27	W2NE,E2NW;			
			31	S2SE;			
			33	SWSW;			

PENDING PRESALE OFFER NO. NMNM 110179

*SENM-S-17 APPLIES TO:
SEC.03: SESW
SEC.04: SWNW,N2SW,W2SE
SEC.05
SEC.10
SEC.24

200307043	12N	26E	06	1,2,3,4,5,6;	1,714.910	P	N
NM			06	SESW;			
SAN MIGUEL			07	1,2,3,4,5,6,7;			
NMPM			07	SWNE,E2W2,NWSE;S2SE;			
100.00%			08	1;			
			17	1,2,3,4;			
			17	W2SW,SESW;			
			18	1,2,3,4;	NMNM 25970		
			18	E2,E2W2;	NMNM 25971		

PENDING PRESALE OFFER NO. NMNM 110188

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307044	12N	26E	19	1,2,3,4;	2,010.060	P	N
NM			19	NE,E2W2,NESE,W2SE;			
SAN MIGUEL			20	3;			
NMPM			20	W2NW,NWSW,SESE;			
100.00%			21	1;			
			28	4;			
			30	1,2,3,4;			
			30	E2NW,NESW;	NMNM 25966		
			31	1,2,3,4,5,6,7;	NMNM 25971		
			31	S2NE,SENW,NESW,N2SE;			
			33	2,3,4,5,6,7;			
			33	N2SW,NWSE;			
			34	1;			
					<u>PENDING PRESALE OFFER NO. NMNM 110188</u>		
200307045	08N	27E	01	1,2,3,4;	1,938.860	P	N
NM			01	S2N2,W2SW;			
QUAY			11	NE,N2NW,NWSW;	NM-9		
NMPM			12	W2E2,SENE,NW;			
100.00%			13	N2,N2SE;			
			14	NWNW,S2N2,N2S2,SWSW,SESE;			
					NMNM 23820		
					NMNM 23821		
					<u>PENDING PRESALE OFFER NO. NMNM 110153</u>		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307046	08N	27E	03	SENE,E2SW,SE;	2,419.630	P	N
NM			04	3,4;			
QUAY			04	SENE,S2NW,NESE;	SENM-S-17*		
NMPM			05	1,2;			
100.00%			05	S2NE,SWNW,S2SW;			
			06	7;			
			06	SWNE,SENW,E2SW,NWSE,SESE;			
			07	3;	NMNM 23820		
			07	E2,E2SW;	NMNM 23821		
			08	W2NE,NW,N2SW;	NMNM 36300		
			10	NE,E2NW;			
			15	E2NE,E2W2,NESE;			

PENDING PRESALE OFFER NO. NMNM 110153

*SENM-S-17 APPLIES TO:
 SEC.04: S2NW
 SEC.05: L1,2, S2NE,S2SW
 SEC.06: SWNE,SENW,E2SW,NWSE,SESE
 SEC.07
 SEC.08
 SEC.10: E2NW
 SEC.15

200307047	08N	27E	18	NENE;	1,620.840	P	N
NM			19	4;			
QUAY			19	SESW;	NM-9:SECS.23&24		
NMPM			21	NESE,W2SE;	SENM-S-17*		
100.00%			22	NENW,SESW;			
			23	NENE;			
			24	W2NW,SENW,E2SW,SE;			
			28	N2NW;	NMNM 23820		
			29	N2;	NMNM 23822		
			31	1,2,3;	NMNM 36300		
			31	E2,E2NW;			

PENDING PRESALE OFFER NO. NMNM 110153

*SENM-S-17 APPLIES TO:
 SEC.18
 SEC.21
 SEC.22: NENW
 SEC.28
 SEC.29
 SEC.31: LOTS 1,2,3

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307048	09N	27E	07	3,4;	1,628.750	P	N
NM			07	SESW,NESE,S2SE;			
QUAY			08	W2SW;	NM-9		
NMPM			09	E2SW,SWSW;			
100.00%			15	W2NW,SENW,NESW;			
			17	NE,W2SW,SESW,NESE,S2SE;			
			18	1,2,3,4;			
			18	E2,E2W2;	NMNM 84082		
					NMNM 84939		
					NMNM 84940		
					<u>PENDING PRESALE OFFER NO. NMNM 110167</u>		

200307049	09N	27E	19	1;	2,318.410	P	N
NM			19	N2NE,NENW,N2SE;			
QUAY			20	N2N2,N2S2;	NM-9*		
NMPM			21	SWNE,N2NW,NWSW,W2SE;	SENM-S-17**		
100.00%			26	N2,N2SW;	SENM-S-25		
			27	E2NE,NESE;			
			28	W2NE;	NMNM 29672		
			31	3;	NMNM 67759		
			31	S2NE,SENW,E2SW,SE;	NMNM 84940		
			33	SW;	NMNM 84941		
			34	NWNE,SENE,SWSE;	NMNM 84942		
			35	E2NE,S2S2;			
					<u>PENDING PRESALE OFFER NO. NMNM 110167</u>		

*NM-9 APPLIES TO:
SEC.19: L1, N2NE,NENW
SEC.20: N2N2
SEC.21: SWNE
SEC.26: N2

**SENM-S-17 APPLIES TO:
SEC.27: E2NE
SEC.31: SENW,E2SW,SE
SEC.33
SEC.34: SENE
SEC.35

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307050 NM QUAY NMPM 100.00%	11N	27E	13	2,3;	324.540 SENM-S-25	P	N
	11N	28E	18 19	1,2,3,4; 1,2;	NMNM 80911 NMNM 84805		
<u>PENDING PRESALE OFFER NO. NMNM 110180</u>							
200307051 NM QUAY NMPM 100.00%	08N	28E	01 01 03 10 11 14 22 24 34 35	1-12; E2SE; NWSW; NENW; NWNE; S2NW,N2SW; SESE; SENE,NESE,W2SE; N2,NESW,SE; NE,NWSW;	1,661.860 SENM-S-17:SEC.01:L1-12 SEC.34:N2 SEC.35:NWSW SENM-S-20:SEC.34:NESE SENM-S-25:SECS 10,11,14, 22,24,34,35 NMNM 23840 NMNM 54650	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110154</u>							
200307052 NM QUAY NMPM 100.00%	08N	28E	06 07 07 18 18 19 19 28 29 30 33	4,5,12,13; 2,3,4; SWNE,SENW,W2SE; 1,2,3; W2NE,SENW,NESW; 3,4; E2SW,SE; W2W2; NW,N2SE; NE; E2NE,NWNE,NENW;	1,703.170 NM-9:SEC.29 SENM-S-17* SENM-S-20:SEC.28 SENM-S-25 NMNM 23840 NMNM 54650	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110154</u>							

*SENM-S-17 APPLIES TO:
SEC.06
SEC.19: E2SW
SEC.28
SEC.30
SEC.33

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307053	11N	28E	01	1,3,4;	2,204.910	P	N
NM			01	SENE,S2NW,N2SW,SESE;			
QUAY			02	SENE,N2S2,SESW,SWSE;	NM-9:SEC.1:L1,3,4,SENE		
NMPM			05	5,6,7,8;	SENM-S-25		
100.00%			09	SWNW,NWSW,E2SW,SE;			
			10	NWNE,W2SW;			
			11	NWNE,NENW;			
			12	NENE,SWNE,N2NW,S2SE;	NMNM 46443		
			13	NENE,S2NW,SWSW,W2SE;	NMNM 80911		
			14	SWNE,NESW,S2SE;	NM 80911		
			15	S2N2,N2S2;	NMNM 84086		
<u>PENDING PRESALE OFFER NO. NMNM 110181</u>							
200307054	12N	28E	34	1,2,3;	693.880	P	N
NM			34	S2SE;			
QUAY			35	1-12;	SENM-S-25		
NMPM			35	N2SW;			
100.00%							
					NMNM 84946		
<u>PENDING PRESALE OFFER NO. NMNM 110189</u>							
200307055	08N	29E	01	1,11;	2,016.050	P	N
NM			02	12;			
QUAY			02	SWSE;	NM-9:SEC.10&15		
NMPM			03	8,9;	SENM-S-17:SEC.03:E2SW,		
100.00%			03	E2SW,N2SE;	N2SE		
			10	NE,E2NW,SWNW,SW,NESE,W2SE	SENM-S-25		
			11	NWNE,W2NW,NWSW;			
			15	NW,N2SW,SWSW;			
			22	NENE,NWSW;	NMNM 30342		
			23	SWNE,N2NW,SESW,W2SE;	NMNM 33228		
			24	SWSW;	NMNM 84948		
			26	NW;			
			27	SESW,NESE;			
			35	SWSW;			
<u>PENDING PRESALE OFFER NO. NMNM 110155</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307056 NM QUAY NMPM 100.00%	08N	29E	04 05 06 06 09 21 29	SWSE; 2,3,4; 1-14; E2SW,SE; S2NE,SE; NWNE,E2NW; SWNW;	1,164.650 NM-9:SEC.06:L1,2,8-13, E2SW,SE SENM-S-25 NMNM 84947 NMNM 84948	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110155</u>							
200307057 NM QUAY NMPM 100.00%	09N	29E	32	SESW;	40.000 SENM-S-25 NMNM 84953	P	N
200307058 NM QUAY NMPM 100.00%	11N	29E	03 04 04 06 11 13	SWNE,SENW; 2; S2NE,SENW,N2SW,W2SE; 3,5,6; N2; SWNE,NWSW;	920.500 SENM-S-25 NMNM 36297	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110182</u>							
200307059 NM QUAY NMPM 100.00%	12N	29E	15 19 20 22 25 25 26 26 27 27 30	1; 2; 6,7; 1,2,3,4; 1,2,3,4,5,6,7; SWNE,S2NW,SW,W2SE; 1,2,3,4; S2N2,S2; 1,2,3,4,5,6,7; S2NE,SENW,E2SW,SE; 6,7;	1,732.440 SENM-S-20:SEC.26:S2 SENM-S-25 NMNM 36295 NMNM 84954 NMNM 84955 NMNM 84956 NMNM 84957 NMNM 84958	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110190</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307060	12N	29E	31	1,2,3,4;	2,488.580	P	N
NM			31	E2,E2W2;			
QUAY			33	1,2,3,4;	SENM-S-20:SEC.34:N2		
NMPM			33	NE,E2NW,N2S2;	SENM-S-25		
100.00%			34	1,2,3,4;			
			34	N2,N2S2;			
			35	1,2,3,4;			
			35	N2,N2S2;	NMNM 84956		
					NMNM 84957		
					NMNM 84958		
					<u>PENDING PRESALE OFFER NO. NMNM 110190</u>		
200307061	08N	30E	04	3,4;	793.370	P	N
NM			05	1,2,3,4;			
QUAY			06	1,2,3,4;	SENM-S-25		
NMPM			12	E2NE;			
100.00%			21	SE;			
			23	E2SE;			
			24	SW;			
			25	NE;	NMNM 31302		
					<u>PENDING PRESALE OFFER NO. NMNM 110156</u>		
200307062	11N	30E	06	1,2,4,6,7;	1,097.570	P	N
NM			07	1;			
QUAY			07	N2NE,NENW;	NM-9:SEC.07		
NMPM					SENM-S-20:SEC.31:SESE		
100.00%					SENM-S-25		
	12N	30E	29	E2SW,NWSW,SWSE;			
			30	1,3,5;			
			30	SESW,S2SE;	NMNM 84959		
			31	1,3;	NMNM 84960		
			31	E2NE,NWNE,E2NW,NWSE,SESE;	NMNM 84961		
					<u>PENDING PRESALE OFFER NMNM 110183</u>		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307063 NM QUAY NMPM 100.00%	11N	30E	34 35	SESE; S2SW;	120.000 SENM-S-25	P	N
					NMNM 36294		
					<u>PENDING PRESALE OFFER NO. NMNM 110174</u>		
200307064 NM QUAY NMPM 100.00%	08N	31E	01 01 02 03 03 04 05 05 06 06 07 07 08	4; S2SW,SWSE; SESE; 1-12; NESW,N2SE; 1-12; 1,2,3,4,7,8,9,10; S2; 1,2,3,4,10,11; S2SE; 1-3; NENE,E2NW,NESW,NWSE; W2NE,NENW;	2,294.350 NM-9:SEC.03:L1-12 SECS.04 & 05 SENM-S-25 NMNM 31571 NMNM 65495	P	N
					<u>PENDING PRESALE OFFER NO. NMNM 110157</u>		
200307065 NM QUAY NMPM 100.00%	08N	31E	13 18 18 20 25 28 29 31 32 33 35	W2SW; 3,4; NENE; NWNW; SW; SE; SENE,SE; SE; E2SE; NE,E2SW; SWNE,SENW,N2S2,SESW,S2SE;	1,600.050 SENM-S-20: SEC.28 SEC.29: SE SENM-S-25 NMNM 31571 NMNM 36075	P	N
					<u>PENDING PRESALE OFFER NO. NMNM 110157</u>		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307066	08N	32E	01	S2S2;	1,977.580	P	N
NM			03	3;			
QUAY			04	7,12;	NM-9:SECS.13 & 24		
NMPM			05	SWSE;	SENM-S-20:SEC.07:NENW		
100.00%			06	5,6,11;	SEC.12:SW		
			06	E2SW,SWSE;	SEC.23:SWSW		
			07	1,4;	SENM-S-25		
			07	NENW,SESW;			
			08	W2NE,SENE,SE;			
			09	NESW,W2SW;			
			12	NENW,SW;			
			13	E2SE;			
			17	SWNE,SESW,W2SE;	<u>PENDING PRESALE OFFER NO. NMNM 110158</u>		
			19	SESE;			
			20	NW,NWSE;			
			23	SWNE,SWSW;			
			24	W2NE,SENW;			

PRIOR LEASE NOS.:
 NMNM 30006A
 NMNM 31900
 NMNM 37535
 NMNM 56641
 NMNM 86432

200307067	08N	32E	25	NE,NWNW,SENW,NESE;	1,961.290	P	N
NM			26	NWNW,S2N2,SW;			
QUAY			27	E2NE,SWNW,SE;	NM-9*		
NMPM			31	3,4;	SENM-S-17:SEC.26:S2N2		
100.00%			31	SESW,SWSE;	SEC.31: SESW,SWSE		
			34	NE,E2W2,SWNW,NWSW;	SENM-S-25		
			35	N2,N2S2;			
					NMNM 31900		
					NMNM 34181		
					NMNM 56641		
					NMNM 59647		
					<u>PENDING PRESALE OFFER NO. NMNM 110158</u>		

*NM-9 APPLIES TO:
 SEC.25
 SEC.26: SW
 SEC.27: SE
 SEC.34: NE,E2W2
 SEC.35

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307068 NM QUAY NMPM 100.00%	09N	32E	02 03 03 04 05 08 19 19 20 21 22 24 25 26 29 30 33	NWSW; 4; S2SW,NESE,SWSE; 3; 2,3; E2SW,W2SE; 3,4; E2E2,NWNE,SESW,SWSE; SENE; SWNE; W2SE; NWSW; NENW; S2NE,SENW; SENW; NWNE; SESE;	1,360.900 SENM-S-19:SEC.03:S2SW, SWSE SENM-S-25 NMNM 23835 NMNM 36080 NMNM 54048 NMNM 60400	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110168</u>							
200307069 NM QUAY NMPM 100.00%	10N	32E	01 01 02 04 10 11 12	1,2,3,4; S2N2,S2; SESW; E2SW; S2SE; NE,E2NW,S2; N2,NESW,W2SW,NWSE;	1,879.260 SENM-S-17:SEC.01:S2 SECS.02 & 12 SEC.11:S2 SENM-S-25 NMNM 43073 NMNM 67374	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110175</u>							
200307070 NM QUAY NMPM 100.00%	10N	32E	13 14 15 17 24 25 28 29 33 34 35	E2E2; NWNE,NW; E2NE; SWSE; E2NE,SE; W2E2,SESE; SWNE; NWNE,SWNW; NWSE; NWNE; N2;	1,440.000 SENM-S-17:SEC.13 SEC.14:NWNE SEC.25 SENM-S-25 NMNM 43073 NMNM 67374	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110175</u>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307071 NM QUAY NMPM 100.00%	11N	32E	28 35	E2SW; W2SW;	160.000 SENM-S-25	P	N
					NMNM 46441		
					<u>PENDING PRESALE OFFER NO. NMNM 110184</u>		
200307072 NM QUAY NMPM 100.00%	12N	32E	21 22	SE; S2NW,N2SW;	320.000 SENM-S-25	P	N
					NMNM 46440		
					<u>PENDING PRESALE OFFER NO. NMNM 110191</u>		
200307073 NM SANDOVAL NMPM 100.00%	23N	06W	21 28 33	W2E2,E2W2,SWNW,NWSW,E2SE; ALL; ALL;	1,760.000	P	N
					NMNM 57385		
					NMNM 62968		
					NMNM 81637		
					NMNM 90841		
200307074 NM SAN JUAN NMPM 100.00%	22N	08W	09	N2N2;	160.000	P	N
					NMNM 90470		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307075 NM CHAVES NMPM 100.00%	14S	23E	12 13 25	E2,NENW,S2NW,SW; N2,W2SW; ALL;	1,640.000 NM-9:SEC.13:W2SW SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 62155 NMNM 62886 NMNM 68071 NMNM 69563	P	N
200307076 NM CHAVES NMPM 100.00%	09S	24E	27	SWSE;	40.000 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 76929	P	N
200307077 NM CHAVES NMPM 100.00%	14S	24E	07 07 18 18 19 19	1,2,3,4; E2W2; 1,2,3,4; E2W2; 1,2; E2NW;	792.240 NM-9:SEC.18:E2W2 SEC.19 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 83036	P	N
200307078 NM CHAVES NMPM 100.00%	14S	24E	22 23 26 27	ALL; N2; ALL; ALL;	2,240.000 SENM-LN-1 SENM-S-19:SEC.27 SENM-S-21 SENM-S-25 NMNM 39118 NMNM 80170 NMNM 80171 NMNM 83036	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307079 NM EDDY NMPM 100.00%	20S	25E	27	E2,S2NW,SW;	560.000 SENM-LN-1 SENM-S-17:SEC.27: N2SESE,SESESE,E2SWSE SENM-S-25 NMNM 88098 NMNM 89147	P	N
200307080 NM EDDY NMPM 100.00%	22S	25E	14	W2SW;	80.000 SENM-LN-1 SENM-S-18:SEC.14: NWSW,N2SWSW,SWSWSW NMNM 96677	P	N
200307081 NM CHAVES NMPM 100.00%	11S	26E	15 22	S2N2,S2; ALL;	1,120.000 NM-9:SEC.15 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 69155 NMNM 70316 NMNM 76967 NMNM 88108	P	N
200307082 NM CHAVES NMPM 100.00%	12S	26E	03	S2NE,SENW,E2SW,SWSW,SE;	400.000 NM-9:SEC.03:SENW,E2SW, SWSW SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 69156 NMNM 70879	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307083 NM EDDY NMPM 100.00%	16S	26E	14	NENE;	40.000 SENM-S-9 SENM-S-17 SENM-S-18: SEC.14:W2NENE NMNM 89103	P	N
200307084 NM EDDY NMPM 100.00%	18S	26E	19 20	SWNE,NESW; NWNW;	120.000 SENM-S-18: SEC.19:SWNE SENM-S-20 NMNM 004182A	P	N
200307085 NM CHAVES NMPM 100.00%	06S	27E	05 06	1,2,3,4; 1,2;	249.260 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 26377 NMNM 61575 NMNM 86103	P	N
200307086 NM CHAVES NMPM 100.00%	14S	28E	14	W2;	320.000 SENM-LN-1 SENM-S-21 SENM-S-22 SENM-S-25 NMNM 16099	P	N
200307087 NM EDDY NMPM 100.00%	23S	28E	24	E2NE;	80.000 SENM-S-18: SEC.24:SWSENE NMNM 86899	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307088 NM EDDY NMPM 100.00%	24S	28E	17 24 29	S2; E2NE,SWNE,NESE; SESW,SWSE;	560.000 SENM-S-18: SEC.24:NENENE SEC.29: N2SESW,SESESW, SWSE NMNM 90522 NMNM 90523 NMNM 90524	P	N
200307089 NM CHAVES NMPM 100.00%	14S	29E	27	W2NW,SW;	240.000 SENM-LN-1 SENM-S-21 SENM-S-22 SENM-S-25 NMNM 70326	P	N
<u>PENDING PRESALE OFFER NO. NMNM 110149</u>							
200307090 NM EDDY NMPM 100.00%	23S	29E	18	NWNE,NENW;	80.000 NMNM 90528	P	N
200307091 NM CHAVES NMPM 100.00%	13S	30E	30 30 31	2,3,4; E2,SENW,E2SW; N2NE,SENE,NENW;	719.990 SENM-S-22 SENM-S-25 NMNM 64965	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307092 NM CHAVES NMPM 100.00%	14S	30E	06 06 06	1,2,3,4,5,6; S2NE,SEW,NESW; E2SE,NWSE;	512.590 SENM-S-19 SENM-S-22 SENM-S-25 NMNM 55938 NMNM 60582	P	N
200307093 NM LEA NMPM 100.00%	17S	32E	34	SW;	160.000 SENM-S-22 NMLC 061840	P	N
200307094 NM LEA NMPM 100.00%	25S	32E	11 12 13 14	NW; ALL; ALL; NW;	1,600.000 SENM-S-22 NMNM 90540 NMNM 90541	P	N
200307095 NM LEA NMPM 100.00%	25S	32E	23 24 25 26	NW; SEW,S2S2; ALL; NE;	1,160.000 SENM-S-22 NMNM 90542	P	N
200307096 NM LEA NMPM 100.00%	21S	33E	06	1,2,3,4,5,6,7,8;	306.390 SENM-S-1 SENM-S-22 NMNM 62229	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307097 NM LEA NMPM 100.00%	25S	33E	18 18 19 19 30 30	1,2,3,4; E2,E2W2; 1,2,3,4; E2,E2W2; 1,2,3,4; E2W2,SE;	1,761.040 SENM-S-22 NMNM 90545 NMNM 90546 NMNM 90547	P	N
200307098 NM LEA NMPM 100.00%	25S	34E	31	SE;	160.000 SENM-S-19: SEC.31: W2W2SWSE NMNM 81739	P	N
200307099 NM LEA NMPM 100.00%	26S	34E	10 29 31 31 33 33 34 34 35 35	N2NW; NENE; 1,2,3,4,5; N2NE,NENW; 1,2,3,4; N2N2; 1,2,3,4; N2N2; 1,2,3,4; N2N2; 1,2,3,4;	1,335.190 SENM-S-22 NMNM 36947 NMNM 56756 NMNM 58826 NMNM 68085 NMNM 77096 NMNM 82946	P	N
200307100 NM LEA NMPM 100.00%	26S	35E	17	NE,N2SE,SWSE;	280.000 SENM-S-22 NMNM 90553	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307101 NM LEA NMPM 100.00%	26S	35E	20	E2W2,SWSE;	200.000 SENM-S-22 NMNM 90553	P	N
200307102 NM LEA NMPM 100.00%	13S	38E	11 11	2; W2NE,NW;	266.610 SENM-S-22 NMLC 064605	P	N
200307103 OK LATIMER IM 25.00%	06N	21E	35	W2SW;	80.000 NM-8 ORA(LN-1) OKNM 46484	A	N
200307104 OK WOODS IM 100.00%	26N	16W	24	NENE;	40.000 ORA-1 ORA-2 OKNM 86199	P	N
200307105 OK BEKCHAM IM 100.00%	10N	24W	29 29 29 32 32 32 32 32	LOT 1 (7.75 AC); ACCRETION & RIPARIAN AC; TO LOT 1 (7.20 AC); SEE EXHIBIT AA FOR M&B; LOT 11 (18.50 AC); REMAINDER OF L11(14.32AC) ACCRETION & RIPARIAN AC; TO LOT 11 (2.39 AC); SEE EXHIBIT BB FOR M&B;	50.160 ORA-1 ORA-2 ORA-3 OKNM 24616 OKNM 36050	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307106 OK BECKHAM IM 100.00%	10N	25W	26 26 26 26 26	ACCRETION & RIPARIAN AC; TO LOT 4(32.94 AC); TO LOT 5(39.06 AC); TO LOT 6(32.12 AC); SEE EXHIBIT CC FOR M&B;	104.120 ORA-1 ORA-2 ORA-3	P	N
200307107 TX SABINE 100.00%			TR TR	S-2k-I PARCEL I; SEE EXHIBIT A FOR M&B;	2,261.300 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J FS8(TX)LN#3B TXNM 88192	A	N
SABINE NATIONAL FOREST QUAD NO. 3193231							
200307108 TX SAN JACINTO TX 100.00%			TR TR	J-2-III PARCEL #1; SEE EXHIBIT B FOR M&B;	2,468.600 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1E FS8(TX)CSU#1F FS8(TX)CSU#1J TXNM 58182	A	N
SAM HOUSTON NATIONAL FOREST QUAD NOS. 3095143 & 3095144							
200307109 TX SAN JACINTO TX 100.00%			TR TR	J-2-III PARCEL #2; SEE EXHIBIT C FOR M&B;	2,228.340 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1E FS8(TX)CSU#1J	A	N
SAM HOUSTON NATIONAL FOREST QUAD NOS. 3095143 & 3095144							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP RANGE SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307110 TX SAN JACINTO TX 50.00%	TR TR TR	J-2-III PARCEL #3A; J-2-III PARCEL #3B; SEE EXHIBIT D FOR M&B;	478.300 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1E-TR 3B FS8(TX)CSU#1F-TR3A FS8(TX)CSU#1J TXNM 58182	A	N
SAM HOUSTON NATIONAL FOREST QUAD NOS. 3095143 & 3095144					
200307111 TX SAN JACINTO TX 100.00%	TR TR TR TR TR	J-2-IV PARCEL #1A; J-2-IV PARCEL #1B; J-2-IV PARCEL #1C; J-2-XXI PARCEL #1; SEE EXHIBIT E FOR M&B;	265.640 SEE STIPS BELOW	A	N
SAM HOUSTON NATIONAL FOREST STIPULATIONS APPLIED TO PARCEL: FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B APPLY TO TRACT J-2-IV PARCEL #1C FS8(TX)CSU#1E APPLY TO TRACT(S) J-1-IV PARCEL #1B, J-2-XXI PARCEL #1 FS8(TX)CSU#1F APPLY TO TRACT J-2-IV PARCEL #1A FS8(TX)CSU#1J FS8(TX)NSO#2A APPLY TO TRACT J-2-IV PARCEL #1A QUAD NOS. 3095143 & 3095144					
200307112 TX SAN JACINTO TX 100.00%	TR TR	J-2b; SEE EXHIBIT F FOR M&B;	280.000 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1J	A	N
SAM HOUSTON NATIONAL FOREST QUAD NO. 3095143					
200307113 TX SAN JACINTO TX 100.00%	TR TR	J-37a,J-37a-I; SEE EXHIBIT G FOR M&B;	50.200 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1J	A	N
SAM HOUSTON NATIONAL FOREST QUAD NO. 3095143					

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307114 TX TRINITY TX 100.00%			TR 455	TR K-2-II PARCEL #1; SEE EXHIBIT H FOR M&B;	1,159.720 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1J	A	N
DAVY CROCKETT NATIONAL FOREST QUAD NO. 3195114							
200307115 TX WALKER/* TX 100.00%			TR TR	J-1-I PARCEL #10; SEE EXHIBIT J FOR M&B;	2,364.440 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B FS8(TX)TLS#1B	A	N
SAM HOUSTON NATIONAL FOREST TRACT IS WITHIN 2 COUNTIES: WALKER COUNTY -2186.91 ACRES MONTGOMERY 177.53 ACRES QUAD NOS. 3095311 & 3095312							
200307116 TX WALKER TX 100.00%			TR TR	J-1-I PARCEL #2; SEE EXHIBIT K FOR M&B;	2,523.680 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1E FS8(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B	A	N
SAM HOUSTON NATIONAL FOREST QUAD NO. 3095312							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307117 TX WALKER TX 100.00%			TR TR	J-1-I PARCEL #3; SEE EXHIBIT L FOR M&B;	1,600.660 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B	A	N
SAM HOUSTON NATIONAL FOREST QUAD NO. 3095311							
200307118 TX WALKER TX 100.00%			TR TR	J-1-I PARCEL #4; SEE EXHIBIT M FOR M&B;	1,951.630 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B FS8(TX)TLS#1B	A	N
SAM HOUSTON NATIONAL FOREST QUAD NOS. 3095311 & 3095312							
200307119 TX WALKER TX 100.00%			TR TR	J-1-I PARCEL #5; SEE EXHIBIT N FOR M&B;	2,298.160 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B	A	N
SAM HOUSTON NATIONAL FOREST QUAD NO. 3095311							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307120 TX WALKER/* TX 100.00%			TR TR	J-1-I PARCEL #6; SEE EXHIBIT O FOR M&B;	1,332.060 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B FS8(TX)TLS#1B	A	N
<p>SAM HOUSTON NATIONAL FOREST</p> <p>TRACT IS WITHIN 2 COUNTIES: WALKER COUNTY 921.70 ACRES MONTGOMERY CO 410.36 ACRES</p> <p>QUAD NO. 3095311</p>							
200307121 TX MONTGOMERY/* TX 100.00%			TR TR	J-1-I PARCEL #7; SEE EXHIBIT P FOR M&B;	1,520.670 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J	A	N
<p>SAM HOUSTON NATIONAL FOREST</p> <p>TRACT IS WITHIN 2 COUNTIES: WALKER CO. 271.67 ACRES MONTGOMERY CO 1249.00 ACRES</p> <p>QUAD NOS. 3095311 & 3095244</p>							
200307122 TX MONTGOMERY TX 100.00%			TR TR	J-1-I PARCEL #8; SEE EXHIBIT Q FOR M&B;	1,610.410 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FSI(TX)CSU#1J FS8(TX)NSO#2A FS8(TX)NSO#2B FS8(TX)TLS#1B	A	N
<p>SAM HOUSTON NATIONAL FOREST</p> <p>QUAD NOS. 3095311 & 3095244</p>							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200307123 TX WALKER TX 100.00%			TR TR	J-1-I PARCEL #9; SEE EXHIBIT R FOR M&B;	839.380 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J	A	N
SAM HOUSTON NATIONAL FOREST							
QUAD NO. 3095311							
200307124 TX WALKER/* TX 100.00%			TR TR	J-1-II PARCEL #2; SEE EXHIBIT S FOR M&B;	1,356.700 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1B FS8(TX)CSU#1J	A	N
SAM HOUSTON NATIONAL FOREST							
TRACT IS WITHIN 2 COUNTIES: WALKER CO - 1356.00 ACRES MONTGOMERY CO - 0.70 ACRES							
QUAD NO. 3095312							
200307125 TX WALKER TX 100.00%			TR TR	J-85f; SEE EXHIBIT T FOR M&B;	81.000 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1J FS8(TX)LN#6	A	N
SAM HOUSTON NATIONAL FOREST							
QUAD NO. 3095423							
200307126 TX WALKER TX 100.00%			TR TR	J-644c; SEE EXHIBIT U FOR M&B;	17.200 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1J TXNM 67532	A	N
SAM HOUSTON NATIONAL FOREST							
QUAD NO. 3095423							

**METES AND BOUNDS DESCRIPTION
OF LOT 1(7.75 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 1, SECTION 29, T. 10 N., R. 24 W.,
LOCATED ALONG THE NORTH FORK OF THE RED RIVER,
BECKHAM COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the ancient meander corner on the ancient right bank between Sections 29 and 30, T. 10 N., R. 24 W., Beckham county, Oklahoma;

Thence North 40 Degrees 52' 02" East a distance of 282.43 feet to a proportional point on the 2002 right bank;

Thence North 30 Degrees 10' 50" East a distance of 48.96 feet to a point on the 2002 medial line;

Thence along the 2002 medial line the following courses and distances:

South 59 Degrees 49' 12" East a distance of 101.46 feet;
South 44 Degrees 11' 27" East a distance of 97.37 feet;
South 57 Degrees 24' 56" East a distance of 85.25 feet;
South 54 Degrees 17' 33" East a distance of 146.98 feet;
South 34 Degrees 42' 19" East a distance of 39.13 feet;
South 61 Degrees 57' 49" East a distance of 151.70 feet;
South 56 Degrees 54' 48" East a distance of 32.41 feet;
South 44 Degrees 45' 49" East a distance of 179.53 feet;
South 34 Degrees 55' 47" East a distance of 254.10 feet;
South 28 Degrees 21' 32" East a distance of 165.34 feet;
South 38 Degrees 03' 44" East a distance of 43.37 feet to a point;

Thence South 51 Degrees 56' 27" West a distance of 51.63 feet to the southeast corner of said Lot 1;

Thence along the adjusted ancient right bank the following courses and distances:

North 58 Degrees 28' 37" West a distance of 931.95 feet;
North 57 Degrees 44' 10" West a distance of 333.03 feet to the POINT OF BEGINNING, and containing 7.20 acres of land more or less.

Total in Lot 1 of Section 29 is 14.95 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE REMAINDER OF LOT 11,
SECTION 32, T10N-R24W,
LOCATED ALONG THE NORTH FORK OF THE RED RIVER,
BECKHAM COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

BEGINNING at the ancient meander corner on the ancient left bank between Sections 29 and 32, T10N-R24W, Beckham County, Oklahoma:

THENCE along the North line of said Section 32, South 89°30'00" East a distance of 1056.04 feet to an Iron Rod with cap at the North Quarter corner of said Section 32;

THENCE along the East line of said Lot 11, South 00°23'21" East a distance of 960.34 feet to the intersection of the East line of said Lot 11 and the 2002 medial line;

THENCE along the 2002 medial line the following courses and distances:

North 68°44'02" West a distance of 78.49 feet;
North 68°17'17" West a distance of 111.25 feet;
North 40°13'12" West a distance of 53.22 feet;
North 68°29'49" West a distance of 87.85 feet;
North 43°16'57" West a distance of 94.84 feet;
North 56°13'10" West a distance of 226.12 feet;
North 56°37'18" West a distance of 158.13 feet;
North 51°18'32" West a distance of 29.57 feet to the intersection
of the 2002 medial line and the adjusted ancient left bank;

THENCE along the adjusted ancient left bank, North 34°29'02" West a distance of 639.10 feet to the POINT OF BEGINNING, and containing 14.32 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 11, SECTION 32, T10N-R24W,
LOCATED ALONG THE NORTH FORK OF THE RED RIVER
BECKHAM COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

BEGINNING at the ancient meander corner of the ancient left bank between Sections 29 and 32, T10N-R24W, Beckham County, Oklahoma;

THENCE along the adjusted ancient left bank, South 34°29'02" East a distance of 639.10 feet to the intersection of the adjusted ancient left bank and the 2002 medial line;

THENCE along the 2002 medial line the following courses and distances:

North 51°18'32" West a distance of 50.16 feet;
North 74°18'34" West a distance of 45.33 feet;
North 56°51'13" West a distance of 36.73 feet;
North 68°17'35" West a distance of 169.34 feet;
North 69°04'17" West a distance of 201.47 feet;
North 49°31'49" West a distance of 145.64 feet to a point;

THENCE North 40°28'09" East a distance of 63.71 feet to a proportional point on the 2002 left bank;

THENCE North 41°56'17" East a distance of 249.38 feet to the POINT OF BEGINNING, and containing 2.39 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF LOT 6 (4.55 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 6, SECTION 26, T. 10 N., R. 25 W.,
LOCATED ALONG THE NORTH FORK OF THE RED RIVER,
BECKHAM COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the ancient meander corner on the ancient left bank between Sections 26 and 27, T 10 N., R. 25 W., Beckham County, Oklahoma;

Thence along the adjusted ancient left bank, North 43°54'05" East a distance of 816.53 feet to the Northeast corner of said Lot 6;

Thence South 16°30'30" East a distance of 1,642.92 feet to a proportional point on the 2002 left bank;

Thence South 57°54'58" East a distance of 42.40 feet to a point on the 2002 medial line;

Thence along the 2002 medial line the following courses and distances:

- South 32°05'03" West a distance of 13.65 feet;
- South 42°30'00" West a distance of 195.41 feet;
- South 44°51'10" West a distance of 186.35 feet;
- South 65°50'43" West a distance of 335.68 feet;
- South 67°43'22" West a distance of 164.24 feet;
- South 55°19'00" West a distance of 32.89 feet;
- South 67°43'18" West a distance of 29.41 feet;
- South 77°34'41" West a distance of 132.37 feet to a point;

Thence North 12°25'19" West a distance of 44.48 feet to a proportional point on the 2002 left bank;

Thence North 05°33'06" West a distance of 1,518.78 to the POINT OF BEGINNING, and containing 32.12 acres of land more or less.

Total in Lot 6 of Section 26 is 36.67 acres of land more or less.

**METES AND BOUND DESCRIPTION
OF LOT 5 (33.90 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 5, SECTION 26, T. 10 N., R. 25 W.,
LOCATED ALONG THE NORTH FORK OF THE RED RIVER,
BECKHAM COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the most Southerly Southeast corner of Lot 5, said point being South 00°09'09" East a distance of 1,320.00 feet and North 89°54'28" East a distance of 567.75 feet from an Iron Rod with cap at the West Quarter corner of Section 26, T. 10 N., R. 25 W., Beckham County, Oklahoma;

Thence along the adjusted ancient left bank the following courses and distances:

North 43°54'05" East a distance of 1,083.08 feet;

North 54°42'42" East a distance of 8.23 feet to the most Northerly Southeast corner of said Lot 5;

Thence South 25°32'06" East a distance of 1,432.32 feet to a proportional point on the 2002 left bank;

Thence South 46°05'51" East a distance of 42.17 feet to a point on the 2002 medial line;

Thence along the 2002 medial line the following courses and distances:

South 43°54'11" West a distance of 68.12 feet;

South 46°08'03" West a distance of 156.74 feet;

South 48°12'31" West a distance of 143.18 feet;

South 51°33'26" West a distance of 257.81 feet;

South 35°06'50" West a distance of 120.98 feet;

South 30°02'13" West a distance of 159.32 feet;

South 32°44'14" West a distance of 131.68 feet;

South 35°58'56" West a distance of 118.00 feet;

South 37°31'55" West a distance of 140.52 feet;

South 32°05'03" West a distance of 110.04 feet to a point ;

Thence North 57°54'58" West a distance of 42.40 feet to a proportional point on the 2002 left bank;

Thence North 16°30'30" West a distance of 1,642.92 feet to the POINT OF BEGINNING, and containing 39.06 acres of land more or less.

Total in Lot 5 of Section 26 is 72.96 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF LOT 4(5.25 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 4, SECTION 26, T. 10 N., R. 25 W.,
LOCATED ALONG THE NORTH FORK OF THE RED RIVER,
BECKHAM COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the Northwest corner of Lot 4, said point being North 89 Degrees 45' 32"
East a distance of 2096.00 feet from an Iron Rod with cap at the West Quarter corner of
Section 26, T. 10 N., R. 25 W., Beckham County, Oklahoma;

Thence South 36 Degrees 09' 50" East a distance of 1210.71 feet to a proportional point
on the 2002 left bank;

Thence South 50 Degrees 29' 34" East a distance of 50.32 feet to a point on the 2002
medial line;

Thence along the 2002 medial line the following courses and distances:

South 39 Degrees 30' 16" West a distance of 9.14 feet;
South 49 Degrees 58' 36" West a distance of 241.52 feet;
South 46 Degrees 28' 28" West a distance of 213.74 feet;
South 40 Degrees 45' 19" West a distance of 47.90 feet;
South 46 Degrees 11' 28" West a distance of 62.92 feet;
South 31 Degrees 10' 36" West a distance of 58.37 feet;
South 49 Degrees 21' 52" West a distance of 107.62 feet;
South 45 Degrees 53' 21" West a distance of 263.37 feet;
South 41 Degrees 32' 18" West a distance of 123.48 feet;
South 43 Degrees 54' 11" West a distance of 96.96 feet to a point;

Thence North 46 Degrees 05' 51" West a distance of 42.17 feet to a proportional point on
the 2002 left bank;

Thence North 25 Degrees 32' 06" West a distance of 1432.32 feet to the southwest corner
of said Lot 4;

Thence along the adjusted ancient left bank, North 54 Degrees 42' 42" East a distance of
939.68 feet to the POINT OF BEGINNING, and containing 32.94 acres of land more or
less.

Total in Lot 4 of Section 26 is 38.19 acres of land more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-I PARCEL I
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
2,261.30 ACRES***

All that certain tract or parcel of land lying and being in Sabine County, Texas, on the waters of Six Mile Creek and Housen Bayou, tributaries of Sabine River, embracing in part the following patented surveys: William W. Davis Survey, A-89, dated February 11, 1846, T. C.R.R. No. 1, A-371, dated July 7, 1893, Anthony W. Walters Survey, A-223, dated October 10, 1883, and the Fm. M. Davis Survey A-383, dated January 18, 1910, identified for mineral leasing purposes as Tract S-2k-I Parcel I. Tract S-2k-I was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Page 293, et seq., Deed Records, Sabine County, Texas. Tract S-2k-I Parcel I contains **2,261.30** acres, more or less, described as follows for mineral leasing purposes. It is not the intent of this description to overlap any adjacent issued Bureau of Land Management mineral lease or lease offerings.

Beginning at corner 10 of Forest Service Tract S-2k-I, common to the John Quinalty Survey, A-49, and the William W. Davis Survey, A-89, a stake witnessed by scribed bearing trees;

Thence N 31° 00' E, common to the John Quinalty and William W. Davis Surveys, 34.91 chains to corner 11 of Tract S-2k-I, the beginning corner of the John Quinalty Survey and the second corner of the William W. Davis Survey;

Thence S 58° 15' E, common to the William W. Davis Survey and in part to the Sion Smith Survey, A-55, and the T. C. R. R. No. 1 Survey, A-371, 143.00 chains to corner 12 of Tract S-2k-I. From this corner, the beginning corner of the William W. Davis Survey bears S 58° 15' E, 14.25 chains distant;

Thence N 31° 45' E, within the T. C. R. R. No. 1 Survey, 35.10 chains to corner 13 of Tract S-2k-I.

Thence N 58° 45' W, common to the T. C. R. R. No. 1 Survey and the F. M. Davis Survey, A-383, 19.72 chains to corner 14 of Tract S-2k-I.

Thence N 36° 45' E, common to the T. C. R. R. No. 1 and the F. M. Davis Surveys, 34.20 chains to corner 15 of Tract S-2k-I, the third corner of the F. M. Davis Survey and the fourth corner of the T. C.R.R. No. 1 Survey;

Thence N 89° 50' E, common to the F. M. Davis Survey and the John Hailey Survey, A-20, 85.59 chains to corner 16 of Tract S-2k-I, the second corner of the F. M. Davis Survey and the seventh corner of the Hugh Milligan Survey, A-161, a Forest Service standard concrete post marked S-308, witnessed by scribed bearing trees;

Thence S 00° 55' E, common to the F. M. Davis and Hugh Milligan Surveys, 65.21 chains corner 17 of Tract S-2k-I, the beginning corner of the F. M. Davis Survey and the sixth corner of the Hugh Milligan Survey;

EXHIBIT A
Tract S-2k-I Parcel I
Description Page 2 of 3

Thence a calculated bearing and distance of S 77° 32' 54" W, across Tract S-2k-I and within the Anthony W. Walters Survey, A-223, and the William W. Davis Survey, 121.30 chains to a point for corner of Tract S-2k-I Parcel I, said line being common to issued BLM lease NM-85987;

Thence a calculated bearing and distance of S 31° 45' W, across Tract S-2k-I and within the William W. Davis Survey, 78.50 chains to a point for corner of Tract S-2k-I Parcel I, said point being on the southwestern boundary of the William W. Davis Survey, and said line being common to issued BLM lease NM-85987;

Thence a calculated bearing and distance of N 59° 20' W, across Tract S-2k-I and common to the William W. Davis Survey and in part to the H. & T.C.R.R. No. 3 Survey, A-129, the C. L. Smith Survey, A-467, and the Rebecca Cloud Survey, A-264, 145.794 chains to a point for corner of Tract S-2k-I Parcel I, said point being the southwestern corner of the William W. Davis Survey, and said line being common to lease offer Tract S-2k-I Parcel H;

Thence a calculated bearing and distance of N 31° 00' 34" E, across Tract S-2k-I and common to the William W. Davis and John Quinalty Surveys, and common to the southeastern boundary of Tract S-2k-I Parcel G lease offer, 71.572 chains to the place of beginning, containing 2,308.45 acres, be the same more or less, LESS AND EXCEPT 29.00 acres within Exception No. 11 to Tract S-2k-I, and 18.15 acres within Sale Tract S-70, leaving a net acreage of **2,261.30** acres, more or less.

Exception No. 11 of Tract S-2k-I, 29.00 acres: Beginning at corner 1 of Tract S-2k-I Exception No. 11, common to corner 13 of Tract S-2k-I, on a southwesterly line of the F. M. Davis Survey, A-383, and a northeasterly line of the T.C.R.R. No. 1 Survey, A-371, a stake with witnesses;

Thence N 58° 45' W, with Tract S-2k-I, common to the F. M. Davis and T.C.R.R. No. 1 Surveys, 13.10 chains to corner 2 of Tract S-2k-I Exception No. 11. From this corner, corner 14 of Tract S-2k-I, a corner of the F. M. Davis Survey and the fifth corner of the T.C.R.R. No. 1 Survey, bears N 58° 45' W, 6.62 chains distant;

Thence two lines within the F. M. Davis Survey;

N 02° 00' E, 9.68 chains to corner 3 of Tract S-2k-I Exception No. 11;

N 05° 00' W, 1.38 chains to corner 4 of Tract S-2k-I Exception No. 11, on the line between corners 14 and 15 of Tract S-2k-I, on the northwesterly line of the F. M. Davis Survey and a southeasterly line of the T.C.R.R. No. 1 Survey;

Thence N 36° 45' E, with Tract S-2k-I and common to the F. M. Davis and T.C.R.R. No. 1 Surveys, 7.13 chains to corner 5 of Tract S-2k-I Exception No. 11;

Thence five lines within the F. M. Davis Survey;

EXHIBIT A
Tract S-2k-I Parcel I
Description Page 3 of 3

S 53° 00' E, 4.35 chains to corner 6 of Tract S-2k-I Exception No. 11;
S 65° 00' E, 14.27 chains to corner 7 of Tract S-2k-I Exception No. 11;
S 30° 00' W, 16.00 chains to corner 8 of Tract S-2k-I Exception No. 11;
S 32° 00' W, 1.79 chains to corner 9 of Tract S-2k-I Exception No. 11;
N 55° 00' W, 0.41 chain to the place of beginning, containing 29 acres, be the same more or less.

Sale Tract S-70, 18.15 acres, known as the Workcenter Tract: All that certain tract or parcel of land lying and situated in Sabine County, Texas, within the William W. Davis Survey, A-89, being out of and a part of that certain tract known as Forest Service Tract S-2k-I, conveyed from Temple Lumber Company to the United States of America by deed dated December 27, 1935 and recorded in Volume 39, Page 293, et seq., Sabine County Deed Records to which reference is hereby made for any and all purposes, and being more described as follows:

Beginning at the point at which the northeast boundary line of said Davis Survey, same being the southwest boundary line of the T.C.R.R. No. 1 Survey, A-371, crossing the centerline of State Highway No. 87, being located S 58° 15' E 501.04 feet from a US Forest Service class A monument S-253, identical with corner 5 of FS Tract S-14a, a point for corner in said centerline, this being corner 1 of Tract S-70;

Thence S 58° 15' E, with boundary common to said William Davis and T.C.R.R. No. 1 Surveys, at 229.34 feet pass on line a standard FS corner set for reference corner, and in all 2,378.02 feet to corner 2 of Tract S-70;

Thence S 57° 09' 03" W, within the William Davis Survey and across FS Tract S-2k-I, at 774.01 feet pass on line a standard FS corner set for reference corner and in all 840.01 feet to corner 3 of Tract S-70, located in the centerline of State Highway No. 87;

Thence N 33° 11' 00" W, with centerline of State Highway No. 87 and within the William Davis Survey, 1,231.07 feet to corner 4 of Tract S-70, same being a point at the beginning of a curve;

Thence in a Northwesterly direction with the centerline of State Highway No. 87, in a curve to the left which has a central angle of 16° 27' 00", a radius of 1,395.71 feet, an arc length of 400.72 feet, and a long chord which bears N 40° 21' 54" W, 399.34 feet to corner 5 of Tract S-70;

Thence N 49° 30' 03" W, with centerline of State Highway No. 87 and within the William Davis Survey, 228.01 feet to corner 6 of Tract S-70, same being a point at the beginning of a curve;

Thence in a Northwesterly direction with the centerline of State Highway No. 87, in a curve to the right which has a central angle of 12° 00' 53", a radius of 1,470.22 feet, and a long chord which bears N 43° 11' 56" W, 307.73 feet to the place of beginning, containing 18.15 acres or land more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-2-III PARCEL #1
2,468.60 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS***

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, on the waters of the East Fork of the San Jacinto River, embracing in part the following patented surveys: Edward Russell, A-48, dated August 21, 1835; L. R. Pearson, A-374, dated June 15, 1888; Ransom Wilburn, A-323, dated October 24, 1871, Thomas Devers, A-105, dated October 24, 1871 and Simon Frazier, A-127, dated May 1, 1852, and identified as Tract J-2-III Parcel #1 for mineral leasing purposes only, containing a total of **2,468.60** acres, more or less. Parent Tract J-2-III was acquired from Foster Lumber Company by warranty deed dated December 21, 1935, and recorded in Volume 32, Pages 303-332, San Jacinto County Texas Deed Records. Tract J-2-III Parcel #1 is further described as follows for mineral leasing purposes. It is not the intent of this description of Tract J-2-III Parcel #1 to include any lands within the area reserved in deed dated 3/23/1906 from J. M. Hansbro and W. B. Powell to The Foster Lumber Company and recorded in Volume 1, Page 153, San Jacinto County Deed Records.

Beginning at corner 1 of Tract J-2-III, the beginning corner of Tract J-2-III Parcel #1, common to corner 1 of US Forest Service Tract J-9, identical with the second corner of the Simon Frazier Survey, A-127, and the beginning corner of the Andrew Mosch Survey, A-220, on the southwesterly line of the L. R. Pearson Survey, A-374, a Forest Service standard concrete post marked J-295, witnessed by scribed bearing trees;

Thence N 30° 30' W, with FS Tract J-9, common to the L. R. Pearson and Andrew Mosch Surveys, 64.90 chains to corner 2 of Tract J-2-III, the fourth corner of the L. R. Pearson Survey and the second corner of the Andrew Mosch Survey, a point witnessed by scribed bearing trees;

Thence N 59° 45' E, common to the L. R. Pearson Survey and the Edward Russell Survey, A-48, 8.10 chains to corner 3 of Tract J-2-III;

Thence N 31° 00' W, within the Edward Russell Survey, and partly within that portion of the William Busby, Jr. Survey, dated October 22, 1835, in conflict with the Edward Russell Survey, 188.20 chains to corner 4 of Tract J-2-III, a FS standard concrete post marked J-322;

Thence N 89° 45' E, common to the Edward Russell Survey and the Vital Flores Survey, A-14, and within the William Busby, Jr. Survey in conflict with both the Edward Russell and Vital Flores Surveys, 33.80 chains to corner 5 of Tract J-2-III;

Thence S 20° 45' E, within the Edward Russell Survey and the William Busby, Jr. Survey in conflict with the Edward Russell Survey, 14.30 chains to corner 6 of Tract J-2-III;

Thence N 89° 30' E, within the Edward Russell Survey, 14.10 chains to corner 7 of Tract J-2-III, in the westerly edge of a road, once known as the Evergreen and Cleveland Road;

Thence S 20° 30' E, with the westerly edge of a road, once known as the Evergreen and Cleveland Road, within the Edward Russell Survey, 4.00 chains to corner 8 of Tract J-2-III, in the westerly edge of said road;

EXHIBIT B
Tract J-2-III Parcel #1
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Thence N 89° 30' E, crossing said road, within the Edward Russell Survey, 14.90 chains to corner 9 of Tract J-2-III;

Thence N 21° 00' W, within the Edward Russell Survey and partly within the William Busby, Jr. Survey in conflict with the Edward Russell Survey, 18.10 chains to corner 10 of Tract J-2-III, on the south line of the Vital Flores Survey;

Thence N 89° 45' E, common to the Edward Russell and Vital Flores Surveys, and within the William Busby, Jr. Survey in conflict with the Edward Russell and Vital Flores Surveys, 7.40 chains to corner 11 of Tract J-2-III, the beginning corner of the Edward Russell Survey, on the southerly line of the Vital Flores Survey;

Thence S 30° 15' E, common to the Edward Russell Survey and within the William Busby, Jr. Survey in conflict with the Edward Russell Survey, 12.20 chains to corner 12 of Tract J-2-III;

Thence S 40° 30' W, within the Edward Russell Survey and the William Busby, Jr. Survey in conflict with the Edward Russell Survey, 3.40 chains to corner 13 of Tract J-2-III;

Thence East, partly within the Edward Russell Survey and common to the William Busby Survey and the William R. Goode Survey, A-136, 4.00 chains to a point for corner of Tract J-2-III Parcel #1;

Thence S 30° 15' E, common to the Edward Russell and William R. Goode Surveys, a calculated distance of 138.00 chains to a point for corner of Tract J-2-III Parcel #1, said line being common in part to the outstanding minerals reserved in deed dated 3/23/1906 from J. M. Hansbro and W. B. Powell to The Foster Lumber Company and recorded in Volume 1, Page 153, San Jacinto County Deed Records and to the northwestern line of Tract J-2-III Parcel #3A lease offer;

Thence S 59° 45' W, common to the Edward Russell and William R. Goode Surveys, a calculated distance of 34.00 chains to a point for corner of Tract J-2-III Parcel #1, said line being common in part to the southwestern line of Tract J-2-III Parcel #3A lease offer;

Thence S 88° 00' E, common to the William R. Goode Survey and the L. R. Pearson Survey, A-374, a calculated distance of 37.25 chains to a point for corner of Tract J-2-III Parcel #1, identical to corner 7 of Exception No. 2 to Tract J-2-III and said line being common to the south line of Tract J-2-III Parcel #3A lease offer;

Thence continuing S 88° 00' E, common to the William R. Goode and L. R. Pearson Surveys, 56.40 chains to a point for corner of Tract J-2-III Parcel #1, identical to corner 6 of Exception No. 2 to Tract J-2-III and said line being common to the south line of Exception No. 2 of Tract J-2-III;

Thence S 01° 00' W, within the L. R. Pearson Survey, 13.20 chains to a point for corner of Tract J-2-III Parcel #1, identical to corner 5 of Exception No. 2 to Tract J-2-III and said line being common to a southerly line of Exception No. 2 of Tract J-2-III;

Thence East, within the L. R. Pearson Survey, 6.80 chains to a point for corner of Tract J-2-III Parcel #1, identical to corner 4 of Exception No. 2 to Tract J-2-III, the beginning corner of the Ransom

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Tract J-2-III Parcel #1
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Wilburn Survey, A-323, and the seventh corner of the William R. Goode Survey, a FS standard concrete post marked J-283 witnessed by old marked bearing trees and said line being common to the south line of Exception No. 2 of Tract J-2-III;

Thence N 89° 30' E, common to the William R. Goode and the Ransom Wilburn Survey, at 44.90 chains the west bank of the East Fork of San Jacinto River. At 45.90 chains, a point for corner of Tract J-2-III Parcel #1 on the east bank of the East Fork of San Jacinto River, identical to corner 3 of Exception No. 2 to Tract J-2-III on the northerly line of the Ransom Wilburn Survey;

Thence in a general southerly direction across Tract J-2-III, down and with the meanders of the east bank of the East Fork of the San Jacinto River, within the Ransom Wilburn Survey and the Thomas Devers Survey, A-105, to a point for corner of Tract J-2-III Parcel #1 on the east bank of the East Fork of San Jacinto River and being on line between corners 28 and 29 of Tract J-2-III and being on the northern boundary of the Thomas Nunn Survey, A-238, having a calculated chord bearing and distance of S 21° 32' 36" E, 67.86 chains;

Thence N 89° 00' W, common to the Thomas Nunn Survey and in part to the Thomas Devers and L. R. Pearson Surveys, 90.60 chains to corner 29 of Tract J-2-III, the second corner of the Thomas Nunn Survey and the seventh corner of the L. R. Pearson Survey, a FS standard concrete post marked J-296;

Thence West, within the L. R. Pearson Survey, 72.90 chains to corner 30 of Tract J-2-III, on the northeasterly line of the Simon Frazier Survey, A-127;

Thence S 30° 30' E, common to the Simon Frazier Survey and in part to the L. R. Pearson Survey and the John R. Richardson Survey, A-256, 58.40 chains to corner 31 of Tract J-2-III, the beginning corner of the Simon Frazier Survey and the second corner of the Kelley Holliday Survey;

Thence S 61° 15' W, common to the Simon Frazier and Kelley Holliday Surveys, 46.60 chains to corner 32 of Tract J-2-III, the fourth corner of the Simon Frazier Survey and the beginning corner of the Frederick Pelzer Survey, A-244;

Thence N 30° 30' W, common to the Simon Frazier Survey and in part to the Frederick Pelzer Survey and the Robert Wilkins Survey, A-313, 62.80 chains to corner 33 of Tract J-2-III, common to corner 2 of FS Tract J-9, the third corner of the Simon Frazier Survey and the fourth corner of the Andrew Mosch Survey, A-220;

Thence N 59° 00' E, with FS Tract J-9, common to the Simon Frazier and Andrew Mosch Surveys, 46.90 chains to the place of beginning, containing 2,470.60 acres, more or less, SAVE AND EXCEPT, 2.00 acres within Exception No. 1 of Tract J-2-III, leaving a net area of **2,468.60** acres, more or less, for **Tract J-2-III Parcel #1**.

Exception No. 1 of Tract J-2-III, 2.00 acres: The lands described herein lie entirely within the Edward Russell Survey, A-48, dated August 21, 1835.

Beginning at corner 1 of Exception No. 1 of Tract J-2-III, a FS standard concrete post marked J-150, witnessed by scribed bearing trees;

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Tract J-2-III Parcel #1
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Thence S 30° 00' E, 6.30 chains to corner 2 of Exception No. 1, in the northwesterly edge of a road, an iron stake witnessed by scribed bearing trees;

Thence S 31° 00' W, with the northwesterly edge of said road, 3.60 chains to corner 3 of Exception No. 1, the intersection of the northwesterly edge of a road with the easterly edge of a road, known as the Evergreen and Cleveland road, a stake witnessed by scribed bearing trees. From this corner, corner 2 of FS Tract J-2-III, the second corner of the Andrew Mosch Survey and the fourth corner of the L. R. Pearson Survey, bears S 39° 15' W, 42.20 chains distant;

Thence N 30° 00' W, with the easterly edge of the Evergreen and Cleveland Road, 6.30 chains to corner 4 of Exception No. 1, an iron stake witnessed by scribed bearing trees;

Thence N 31° 00' E, 3.60 chains to the place of beginning, containing 2.00 acres, be the same more or less.

LEAVING A NET AREA FOR J-2-III PARCEL #1 OF 2,468.60 ACRES

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-2-III PARCEL #2
2,228.34 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS***

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, on the waters of the East Fork of the San Jacinto River, embracing in part the following patented surveys: H. & T.C.R.R. No. 85, A-172, dated February 19, 1886; Isaac Lowery, A-208, dated April 7, 1852; Ransom Wilburn, A-323, dated October 24, 1871; Thomas Devers, A-105, dated October 24, 1871; and Robert Conn, A-86, dated January 13, 1861, and identified as Tract J-2-III Parcel #2 for mineral leasing purposes only, containing a total of **2,228.34** acres, more or less. Parent Tract J-2-III was acquired from Foster Lumber Company by warranty deed dated December 21, 1935, and recorded in Volume 32, Pages 303-332, San Jacinto County Texas Deed Records. Tract J-2-III Parcel #2 is further described as follows for mineral leasing purposes.

Beginning at corner 20 of Tract J-2-III, the beginning corner of Tract J-2-III Parcel #2, the fourth corner of the H. & T.C.R.R. Co. Survey No. 85 and the seventh corner of the Thomas S. Foster Survey, A-442, a Forest Service standard concrete post marked J-291, witnessed by old marked bearing trees;

Thence S 00° 30' E, common to the H. & T.C.R.R. Co. Survey No. 85 and the H. & T.C.R.R. Co. Survey No. 86 now known as the Chas O. Wheatcraft Survey, A-440, 75.60 chains to corner 21 of Tract J-2-III, the third corner of the H. & T.C.R.R. Co. Survey No. 85 and the beginning corner of the Chas O. Wheatcraft Survey, A-440, a FS standard concrete post marked J-284, witnessed by old marked bearing trees;

Thence N 89° 30' E, common to the Isaac Lowery Survey, A-208, and the Chas O. Wheatcraft Survey, 59.90 chains to corner 22 of Tract J-2-III, common to corner 26 of Forest Service Tract J-2-II, the sixth corner of the H. & T.C.R.R. Co. Survey No. 87, A-170, and the Chas. O. Wheatcraft;

Thence East, with FS Tract J-2-II, common to the Isaac Lowery Survey and the H. & T.C.R.R. Co. Survey No. 87, 27.30 chains to corner 23 of Tract J-2-III, common to corner 25 of Tract J-2-II;

Thence South, common to the Isaac Lowery Survey and to the George D. Briggs Survey, A-430, the H. & T.C.R.R. Co. Survey No. 89, A-171, and the J. W. Lutz, A-443, 144.30 chains to corner 24 of Tract J-2-III, the eighth corner of the Isaac Lowery Survey and the seventh corner of the J. W. Lutz Survey, a FS standard concrete post marked J-289, witnessed by old marked bearing trees;

Thence West, common to the Isaac Lowery Survey and the Louis A. Gosse Survey, A-137, 65.10 chains to corner 25 of Tract J-2-III, the seventh corner of the Isaac Lowery Survey and the beginning corner of the Louis A. Gosse Survey, a stake witnessed by an old marked bearing tree.

Thence two lines common to the Isaac Lowery Survey and the William Dobie Survey, A-93:

N 02° 00' W, 51.60 chains to corner 26 of Tract J-2-III, the sixth corner of the Isaac Lowery Survey and the fourth corner of the William Dobie Survey, a stake witnessed by an old marked bearing tree and scribed bearing trees;

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Tract J-2-III Parcel #2
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S 88° 00' W, 22.20 chains to corner 27 of Tract J-2-III, the fifth corner of the Isaac Lowery Survey and the sixth corner of the Thomas Nunn Survey A-238, on the left bank of a small branch, a stake witnessed by an old marked bearing tree;

Thence N 01° 00' E, common to the Isaac Lowery and Thomas Nunn Surveys, 6.80 chains to corner 28 of Tract J-2-III, the fifth corner of the Robert Conn Survey, A-86, and the beginning corner of the Thomas Nunn Survey;

Thence N 89° 00' W, common to the Thomas Nunn Survey and to the Robert Conn and Thomas Devers, A-105, Surveys, 65.00 chains to a point for corner of Tract J-2-III Parcel #2, said point being in the east bank of the East Fork of the San Jacinto River;

Thence in a general northwesterly direction across Tract J-2-III, up and with the meanders of the east bank of the East Fork of the San Jacinto River, within the Thomas Devers Survey and the Ransom Wilburn Survey, A-323, to a point for corner of Tract J-2-III Parcel #2 on the east bank of the East Fork of San Jacinto River, said point identical with corner 3 of Exception No. 2 to Tract J-2-III and being on the boundary common to the Ransom Wilburn Survey and the William R. Goode Survey, A-136, having a calculated chord bearing and distance of N 22° 17' 40" W, 67.09 chains;

Thence N 89° 30' E, common to the Ransom Wilburn and William R. Goode Surveys and in part to the Robert Conn Survey, a calculated distance of 53.00 chains to a point for corner of Tract J-2-III Parcel #2, identical with corner 6 of Exception No. 3 to Tract J-2-III and said line being common to the south boundary of Tract J-2-III Parcel #3B lease offer;

Thence two lines within the Robert Conn Survey:

S 01° 00' W, 35.10 chains to a point for corner of Tract J-2-III Parcel #2, identical with corner 5 of Exception No. 3 to Tract J-2-III;

East, 38.60 chains to a point for corner of Tract J-2-III Parcel #2, on line common to the Robert Conn and Isaac Lowery Surveys, identical with corner 4 of Exception No. 3 to Tract J-2-III, a FS standard concrete post marked J-293;

Thence N 00° 30' E, common to the Robert Conn and Isaac Lowery Surveys, 11.40 chains to a point for corner of Tract J-2-III Parcel #2, identical with corner 3 of Exception No. 3 to Tract J-2-III, the fourth corner of the Isaac Lowery Survey and the sixth corner of the Robert Conn Survey;

Thence N 87° 30' W, common to the Robert Conn and Isaac Lowery Surveys, 11.70 chains to a point for corner of Tract J-2-III Parcel #2, identical with corner 2 of Exception No. 3 to Tract J-2-III;

Thence N 21° 15' W, within the Isaac Lowery Survey, 25.00 chains to a point for corner of Tract J-2-III Parcel #2, identical with corner 1 of Exception No. 3 to Tract J-2-III, the second corner of the Robert Conn Survey and the sixth corner of the William R. Goode Survey;

Thence N 00° 30' E, common to the Isaac Lowery and William R. Goode Surveys, a calculated distance of 22.00 chains to a point for corner of Tract J-2-III Parcel #2 on line common to the Isaac

Lowery, William R. Goode and the H. & T.C.R.R. Co. No. 85 Surveys, said line being common to an eastern boundary of Tract J-2-III Parcel #3B lease offer;

Thence West, common to the south line of the H. & T.C.R.R. Co. No. 85 Survey and the William R. Goode Survey, a calculated distance of 65.00 chains to a point for corner of Tract J-2-III Parcel #2, said line being common to Tract J-2-III Parcel #3B lease offer;

Thence North, common to the west line of the H. & T.C.R.R. Co. No. 85 Survey and the William R. Goode Survey, a calculated distance of 43.00 chains to a point for corner of Tract J-2-III Parcel #2 said point also being the northeast corner of Tract J-2-III Parcel #3B lease offer;

Thence N 01° 00' E, common to the west line of the H. & T.C.R.R. Co. No. 85 Survey and to the William R. Goode Survey, a calculated distance of 33.00 chains to a point for corner of Tract J-2-III Parcel #2 between corners 19 and 20 of Tract J-2-III, said point also being on the boundary common to the H. & T.C.R.R. Co. No. 85 Survey, the William R. Goode Survey and the W. E. Whitmire Survey, A-388;

Thence East, common to the H. & T.C.R.R. Co. No. 85 Survey and to the W. E. Whitmire Survey and Thomas S. Foster Survey, a calculated distance of 85.45 chains to the place of beginning, containing 2,456.34 acres, more or less, SAVE AND EXCEPT, 27.00 acres within Exception No. 4 of Tract J-2-III and 1.00 acre within Exception No. 5 of Tract J-2-III, leaving a net area of **2,228.34** acres, more or less, for **Tract J-2-III Parcel #2**.

Exception No. 4 of Tract J-2-III, 27.00 acres: The lands described herein lie entirely within the Isaac Lowery Survey, A-208, dated April 7, 1852.

Beginning at corner 1 of Exception No. 4 of Tract J-2-III, a FS standard concrete post marked J-294, witnessed by old marked bearing trees;

Thence S 03° 00' W, 20.50 chains to corner 2 of Exception No. 4, a stake witnessed by old marked bearing trees;

Thence N 86° 30' W, 13.10 chains to corner 3 of Exception No. 4, a stake witnessed by old marked bearing trees;

Thence N 02° 30' E, 20.40 chains to corner 4 of Exception No. 4, a stake witnessed by old marked bearing trees. From this corner, corner 26 of Tract J-2-III, the sixth corner of the Isaac Lowery Survey and the fourth corner of the William Dobie Survey, bears N 76° 15' W, 12.00 chains distant;

Thence S 86° 30' E, 13.10 chains to the place of beginning, containing 27.00 acres, be the same more or less.

Exception No. 5 of Tract J-2-III, 1.00 acre: The lands described herein lie entirely within the Isaac Lowery Survey, A-208, dated April 7, 1852.

Beginning at corner 1 of Exception No. 5 of Tract J-2-III, the intersection of the southerly edge of a

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Tract J-2-III Parcel #2
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road, once known as the Evergreen and Cleveland Road and the westerly edge of a road once known as the Cleveland and Cold Springs Road, a stake witnessed by scribed bearing trees;

Thence S 18° 30' E, with the westerly edge of the Cleveland and Cold Springs Road, 3.10 chains to corner 2 of Exception No. 5, a stake witnessed by an old marked bearing tree;

Thence S 89° 30' W, 3.20 chains to corner 3 of Exception No. 5, a stake witnessed by an old marked bearing tree. From this corner, corner 25 of Tract J-2-III, the seventh corner of the Isaac Lowery Survey and the beginning corner of the Louis A. Gosse Survey, A-137, bears S 65° 00' W, 22.70 chains distant;

Thence N 15° 30' W, 3.10 chains to corner 4 of Exception No. 5, a stake in the southerly edge of the Evergreen and Cleveland Road, witnessed by an old marked bearing tree;

Thence S 89° 00' E, 3.10 chains to the place of beginning, containing 1.00 acres, be the same more or less.

LEAVING A NET AREA FOR J-2-III PARCEL #2 OF 2,228.34 ACRES

***DESCRIPTION FOR MINERAL LEASING OF
TRACTS J-2-III PARCEL #3A & #3B
478.30 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS***

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, on the waters of the East Fork of the San Jacinto River, lying entirely within the William R. Goode Survey, A-136, dated January 31, 1861, and identified as Tract J-2-III Parcel #3A and #3B for mineral leasing purposes only, containing a total of **478.30 acres**, more or less, with Parcel #3A containing 247.57 acres and Parcel #3B containing 230.73 acres, SUBJECT TO an undivided 50% outstanding mineral interest over the entire tract as reserved in deed dated 8/7/1902 from Camilla Davis to W. T. Carter, E. A. Carter & Jack Thomas, and recorded in Volume S, Page 591, San Jacinto County Deed Records. Parent Tract J-2-III was acquired from Foster Lumber Company by warranty deed dated December 21, 1935, and recorded in Volume 32, Pages 303-332, San Jacinto County Texas Deed Records. Tract J-2-III Parcel #3A and #3B are further described as follows for mineral leasing purposes.

Parcel #3A, 247.57 acres: Beginning at a point for corner of Tract J-2-III Parcel #3A, identical to corner 1 of Exception No. 2 to Tract J-2-III, a Forest Service standard concrete post marked J-325, witnessed by old marked bearing trees. From this corner, corner 17 of FS Tract J-2-III bears N 82° 30' W, 49.40 chains distant;

Thence five lines within the William R. Goode Survey and Exception No. 2 to Tract J-2-III:

S 00° 30' E, 14.10 chains to a point for corner of Tract J-2-III Parcel #3A, identical with corner 11 of Exception No. 2 to Tract J-2-III;

S 88° 30' W, 22.40 chains to a point for corner of Tract J-2-III Parcel #3A, identical with corner 10 of Exception No. 2 to Tract J-2-III;

S 01° 30' E, 20.90 chains to a point for corner of Tract J-2-III Parcel #3A, identical with corner 9 of Exception No. 2 to Tract J-2-III;

N 88° 30' W, 33.90 chains to a point for corner of Tract J-2-III Parcel #3A, identical with corner 8 of Exception No. 2 to Tract J-2-III;

South, 16.50 chains to a point for corner of Tract J-2-III Parcel #3A, identical with corner 7 of Exception No. 2 to Tract J-2-III, on line common to the William R. Goode Survey and the L. R. Pearson Survey, A-374;

Thence N 88° 00' W, common to the William R. Goode and L. R. Pearson Surveys, a calculated distance of 37.25 chains to a point for corner of Tract J-2-III Parcel #3A on common line between the William R. Goode and L. R. Pearson Surveys and on the southeastern line of the Edward Russell Survey, A-48, and said line also being common to Tract J-2-III Parcel #1 lease offer;

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Tract J-2-III Parcel #3A & #3B
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Thence two lines common to the William R. Goode and Edward Russell Surveys and common to Tract J-2-III Parcel #1 lease offer:

N 59° 45' E, a calculated distance of 34.00 chains to a point for corner of Tract J-2-III Parcel #3A;

N 30° 15' W, a calculated distance of 37.83 chains to a point for corner of Tract J-2-III Parcel #3A, said point common to outstanding interest in the William R. Goode Survey as reserved in deed dated March 23, 1906 from J. M. Hansbro and W. B. Powell to The Foster Lumber Company and recorded in Record 1, Page 153, San Jacinto County Deed Records;

Thence N 89° 56' 30" W, across Tract J-2-III in the William R. Goode Survey, and common to the south boundary line of said outstanding interest, a calculated distance of 82.53 chains to the place of beginning, containing **247.57** acres, more or less, for **Tract J-2-III Parcel #3A**.

Parcel #3B, 230.73 acres: Beginning at a point for corner of Tract J-2-III Parcel #3B in the William R. Goode Survey, A-136, identical to corner 2 of Exception No. 2 to Tract J-2-III, a stake in the left bank of the East Fork of the San Jacinto River. From this corner, corner 1 of Exception No. 2 to Tract J-2-III, a Forest Service standard concrete post marked J-325, bears West, 38.00 chains distant;

Thence East, across Tract J-2-III within the William R. Goode and common to the south boundary of outstanding interest in the William R. Goode Survey as reserved in deed dated March 23, 1906 from J. M. Hansbro and W. B. Powell to The Foster Lumber Company and recorded in Record 1, Page 153, San Jacinto County Deed Records, a calculated distance of 20.47 chains to a point for corner of Tract J-2-III Parcel #3B on common line between the William R. Goode Survey and the H. & T.C.R.R. Co. No. 85 Survey, A-172;

Thence two line across Tract J-2-III common to the William R. Goode Survey and the H. & T.C.R.R. Co. Survey No. 85 and also being common to Tract J-2-III Parcel #2 lease offer;

South, a calculated distance of 43.00 chains to a point for corner of Tract J-2-III Parcel #3B, said point being the southwest corner of the H. & T.C.R.R. Co. Survey No. 85;

East, a calculated distance of 65.00 chains to a point for corner of Tract J-2-III Parcel #3B, said point being the northwest corner of the Isaac Lowery Survey, A-208;

Thence S 00° 30' W, common to the William R. Goode and Isaac Lowery Surveys, a calculated distance of 22.00 chains to a point for corner of Tract J-2-III Parcel #3B, identical with corner 1 of Exception No. 3 to Tract J-2-III, the second corner of the Robert Conn Survey, A-86, and the sixth corner of the William R. Goode Survey. From this corner, corner 21 of Tract J-2-III bears N 44° 30' E, 30.60 chains distant;

Thence S 89° 30' W, common to the Robert Conn and William R. Goode Surveys, 17.60 chains to a point for corner of Tract J-2-III Parcel #3B, identical with corner 6 of Exception No. 3 of Tract J-2-III, on the southerly line of the William R. Goode Survey;

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Tract J-2-III Parcel #3A & #3B
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Thence continuing S 89° 30' W, common to the William R. Goode Survey and in part to the Roert Conn Survey and the Ransom Wilburn Survey, A-323, a calculated distance of 53.00 chains to a point for corner of Tract J-2-III Parcel #3B, identical with corner 3 of Exception No. 2 of Tract J-2-III, on the northerly line of the Ransom Wilburn Survey, a point on the east bank of the East Fork of the San Jacinto River;

Thence in a general northerly direction across Tract J-2-III, up and with the meanders of the east bank of the East Fork of the San Jacinto River, within the William R. Goode Survey and being common to the east line of Exception No. 2 to Tract J-2-III, having a calculated chord bearing and distance of N 12° 36' 42" W, 67.23 chains to the place of beginning, containing **230.73 acres**, be the same, more or less for **Tract J-2-III Parcel #3B**.

TOTAL ACREAGE FOR TRACT J-2-III PARCEL #3A AND #3B – 478.30 ACRES

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-2-IV PARCEL #1
247.09 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS***

All that certain tracts or parcels of land lying and being in San Jacinto County, Texas, on the waters of the East Fork of the San Jacinto River, embracing in part the William Dobie patented Survey, A-93, dated April 3, 1852 and the W. L. Rhoton patented Survey, A-257, dated May 21, 1852, and being three separate portions of Tract J-2-IV identified as Parcels #1A, #1B, and #1C for mineral leasing purposes only, containing a total of **247.09** acres, more or less. Parcel #1A contains 161.35 acres. Parcel #1B contains 77.47 acres, and Parcel #1C contains 8.27 acres, more or less and lies within the Mercy Field Known Geologic Structure (KGS). Parent Tract J-2-IV was acquired from Foster Lumber Company by warranty deed dated December 21, 1935, and recorded in Volume 32, Pages 303-332, San Jacinto County, Texas Deed Records. Tract J-2-IV Parcels #1A, #1B, and #1C is further described as follows for mineral leasing purposes. It is not the intent of this description to include any portion of the one-mile radius of retained minerals surrounding the Foster #3 producing well as reserved in said acquisition deed for Tract J-2-IV or any adjacent issued Bureau of Land Management (BLM) lease.

Parcel #1A - 161.35 acre: Beginning at corner 26 of Tract J-2-IV, within the W. L. Rhoton Survey, A-257, the beginning corner for Tract J-2-IV Parcel #1A;

Thence N 89° 00' E, within the W. L. Rhoton Survey, 26.30 chains to corner 27 of Tract J-2-IV, on the westerly line of the David M. Bullock Survey, A-69;

Thence S 01° 00' E, common to the W. L. Rhoton and David M. Bullock Surveys, 49.40 chains to corner 28 of Tract J-2-IV, the third corner of the Henry J. Finn Survey, A-128, said line being the boundary of the Mercy Field Known Geologic Structure (KGS);

Thence S 88° 00' W, common to the W. L. Rhoton and Henry J. Finn Surveys, 14.20 chains to corner 29, on the northeasterly line of the James W. Robinson Survey, A-45;

Thence N 40° 00' W, common to the James W. Robinson and W. L. Rhoton Surveys, a calculated distance of 53.00 chains to a point for corner of Parcel #1A, said point being on the boundary of the one-mile radius for the reserved mineral interest held by production of the Foster #3 well site located N 31° 36' 41" E, 1,098.36 feet from corner 31 of Forest Service Tract J-2-IV;

Thence with a curve to the left with the one-mile radius of the Foster #3 producing well, within the W. L. Rhoton Survey, a calculated chord bearing and distance of N 57° 41' 49" E, 24.94 chains to a point for corner of Parcel #1A on line between corners 25 and 26 of Tract J-2-IV, said point bears S 00° 15' E, a calculated distance of 40.00 chains from corner 25 of Tract J-2-IV;

Thence S 00° 15' E, a calculated distance of 4.50 chains to the point of beginning, containing **161.35** acres, more or less, for Parcel #1A.

EXHIBIT E
Tract J-2-IV Parcel #1
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Parcel #1B - 77.47 acres: Beginning at corner 15 of Tract J-2-IV, the beginning corner of Tract J-W-IV Parcel #1B, also being the beginning corner of the David M. Bullock Survey and the beginning corner of the W. L. Rhoton Survey, and common to the William Dobie Survey;

Thence North, a calculated distance of 16.50 chains to a point for corner of Parcel #1B, said point being on the boundary of the one-mile radius for the reserved mineral interest held by production of the Foster #3 well site located N 31° 36' 41" E, 1,098.36 feet from corner 31 of Forest Service Tract J-2-IV;

Thence with a curve to the left with the one-mile radius of the Foster #3 producing well, within the William Dobie Survey, a calculated chord bearing and distance of N 12° 07' 55" E, 25.10 chains to a point for corner of Parcel #1B, on line with BLM lease NM-60923 and the boundary of the Mercy Field KGS;

Thence, with BLM lease NM-60923 and the Mercy Field KGS boundaries, a calculated chord bearing and distance S 45° 00' E, 27.00 chains to a point for corner of Parcel #1B within the William Dobie Survey;

Thence, continuing with BLM lease NM-60923 and the Mercy Field KGS boundaries, a calculated chord bearing and distance S 11° 00' E, 21.75 chains to a point for corner of Parcel #1B on line between corners 10 and 15 of Tract J-2-IV;

Thence a calculated bearing and distance of S 88° 48' 01" W, common to the William Dobie and David M. Bullock, A-69, Surveys, 28.52 chains to the place of beginning, containing **77.47** acres, more or less.

Parcel #1C - 8.27 acre: Beginning at corner 21 of Tract J-2-IV, within the William Dobie Survey, A-93, the beginning corner of Tract J-2-IV Parcel #1C, and being on the boundary line of the Mercy Field Known Geologic Structure;

Thence with the boundary of the Mercy Field KGS a calculated chord bearing and distance of S 87° 30' W, 12.00 chains to a point for corner of Parcel #1C, said point being on the boundary of the one-mile radius for the reserved mineral interest held by production of the Foster #3 well site located N 31° 36' 41" E, 1,098.36 feet from corner 31 of Forest Service Tract J-2-IV;

Thence with a curve to the right with the one-mile radius of the Foster #3 producing well, within the William Dobie Survey, a calculated chord bearing and distance of S 40° 51' 17" E, 19.13 chains to a point for corner of Parcel #1C on line between corners 21 and 22 of Tract J-2-IV;

Thence, with Tract J-1-IV within the William Dobie Survey, N 02° 00' W, a calculated distance of 15.00 chains to the place of beginning, containing **8.27** acres, more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-2-XXI PARCEL #1
18.55 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS***

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, on the waters of the East Fork of the San Jacinto River, embracing in part the David M. Bullock patented Survey, A-69, dated April 3, 1852 herein described as Tract J-2-XXI Parcel #1 for mineral leasing purposes only. Tract J-2-XXI Parcel #1 contains **18.55** acres, more or less, and lies within the Mercy Field Known Geologic Structure (KGS). Parent Tract J-2-XXI was acquired from Foster Lumber Company by warranty deed dated October 20, 1936, and recorded in Volume 33, Pages 477-483, San Jacinto County, Texas Deed Records.

Beginning at corner 6 of Tract J-2-XXI, the beginning corner of Tract J-2-XXI Parcel #1, and being on the south line of the William Dobie Survey, A-93 common to the north line of the David M. Bullock Survey, A-69, a stake witnessed by scribed bearing trees;

Thence N 89° 00' E with the north line of Tract J-2-XXI, a calculated distance of 16.60 chains to a point for corner of Tract J-2-XXI Parcel #1 at the intersection of said north line and boundary of the Mercy Field KGS;

Thence with the meanders of the Mercy Field KGS, the following calculated chord bearings and distances within Tract J-2-XXI and the David M. Bullock Survey:

S 12° 24' E, 7.25 chains to a point for corner of Tract J-2-XXI Parcel #1;

West, 5.50 chains to a point for corner of Tract J-2-XXI Parcel #1;

S 20° 30' W, 6.00 chains to a point for corner of Tract J-2-XXI Parcel #1;

West, 10.50 chains to a point for corner of Tract J-2-XXI Parcel #1 on line between corners 5 and 6 of Tract J-2-XXI;

Thence N 00° 15' W, with the west boundary of Tract J-2-XXI in the David M. Bullock Survey, a calculated distance of 12.41 chains to the point of beginning, containing **18.55** acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-2b
280.00 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS**

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, on the waters of Winters Creek, embracing in part the Francis Reimer patented Survey, A-255, dated August 18, 1852. Tract J-2b was acquired from Foster Lumber Company by warranty deed dated December 21, 1935, and recorded in Volume 32, Pages 303-332, Deed Records, San Jacinto County, Texas, containing **280.00** acres, more or less. Tract J-2b is further described as follows for mineral leasing purposes.

Beginning at corner 1, common to Forest Service Tract J-1g, identical with the third corner of the Francis Reimer Survey and the third corner of the Joseph G. Ferguson Survey, A-119, on the northwesterly line of the James W. Robinson Survey, A-45, a Forest Service standard concrete post marked J-353, witnessed by scribed bearing trees;

Thence N 30° 00' W, with FS Tract J-1h, common to the Francis Reimer and Joseph G. Ferguson Surveys, 80.40 chains to corner 2 of Tract J-2b, common to corner 2 of FS Tract J-1h, the second corner of the Francis Reimer Survey, and the fourth corner of the Joseph G. Ferguson Survey;

Thence N 60° 00' E, common to the Francis Reimer Survey and the Frederick Pelzer Survey, A-244, 28.10 chains to corner 3 of Tract J-2b, a stake witnessed by old marked bearing trees;

Thence three lines within the Francis Reimer Survey:

S 30° 30' E, 6.50 chains to corner 4 of Tract J-2b, a stake witnessed by old marked bearing trees;

N 59° 30' E, 7.90 chains to corner 5 of Tract J-2b, a stake witnessed by old marked bearing trees;

N 31° 30' W, 6.50 chains to corner 6 of Tract J-2b, on the southeasterly line of the Frederick Pelzer Survey and the northwesterly line of the Francis Reimer Survey, a stake witnessed by an old marked bearing tree and scribed bearing trees;

Thence N 60° 00' E, common to the Francis Reimer and the Frederick Pelzer Surveys, 23.50 chains to corner 7 of Tract J-2b, a stake witnessed by old marked bearing trees;

Thence four lines within the Francis Reimer Survey:

S 30° 30' E, 21.80 chains to corner 8 of Tract J-2b;

S 60° 00' W, 36.00 chains to corner 9 of Tract J-2b,

S 30° 00' E, 17.80 chains to corner 10 of Tract J-2b,

N 60° 00' E, 3.20 chains to corner 11 of Tract J-2b,

Thence S 30° 00' E, within the Francis Reimer Survey, 40.90 chains to corner 12 of Tract J-2b, on the northwesterly line of the James W. Robinson Survey, A-45, and the southeasterly line of the Francis Reimer Survey, an iron stake witnessed by old marked bearing trees;

Thence S 60° 00' W, with FS Tract J-1g, common to the Francis Reimer and James W. Robinson Surveys, 27.00 chains to the place of beginning, containing **280.00** acres, be the same more or less.

DESCRIPTION FOR MINERAL LEASING OF
TRACT J-37a
49.00 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, between the waters of the East Fork of San Jacinto River and Winters Creek, embracing in part the William Dobie patented Survey, A-93, dated April 3, 1852. Tract J-37a was acquired from Martha G. Allison, et al. by warranty deed dated September 17, 1936, and recorded in Volume 33, Pages 506 et seq., Deed Records, San Jacinto County, Texas, containing **49.00** acres, more or less. Tract J-37a is further described as follows for mineral leasing purposes.

Beginning at corner 1, common to Forest Service Tracts J-2-IV and J-5a, on the westerly line of the William Dobie Survey and the easterly line of the John R. Richardson Survey, A-256, a stake witnessed by scribed bearing trees. From this corner, the second corner of the William Dobie Survey and the seventh corner of the John R. Richardson Survey bears S 01° 30' E, 41.50 chains distant.

Thence N 01° 30' W, with FS Tract J-5a, common to the William Dobie and John R. Richardson Surveys and the Thomas Nunn Survey, A-238, 29.90 chains to corner 2 of Tract J-37a, a stake in the center of a road, once known as the Evergreen-Cleveland road;

Thence S 62° 45' E, along the Evergreen-Cleveland road, with FS Tract J-2-IV, within the William Dobie Survey, 15.50 chains to corner 3 of Tract J-37a, common to corner 3 of the Forest Service Tract J-37a-I, a stake in the center of a road, once known as the Evergreen-Cleveland road;

Thence S 00° 15' W, with FS Tract J-37a-I, within the William Dobie Survey, 3.30 chains to corner 4 of Tract J-37a, common to corner 2 of the Forest Service Tract J-37a-I, a stake in a pond witnessed by an old marked bearing tree and scribed bearing trees;

Thence N 89° 45' E, with FS Tract J-37a-I, within the William Dobie Survey, 6.50 chains to corner 5 of Tract J-37a, common to the beginning corner of FS Tract J-37a-I, a stake in the center of a road, once known as the Evergree-Cleveland road, witnessed by scribed bearing trees;

Thence S 62° 45' E, along the Evergreen-Cleveland road, with FS Tract J-2-IV, within the William Dobie Survey, 1.50 chains to corner 6 of Tract J-37a, a stake in the center of a road, once known as the Evergreen-Cleveland road, witnessed by a scribed bearing tree;

Thence S 01° 30' E, with FS Tract J-6a, within the William Dobie Survey, 18.00 chains to corner 7 of Tract J-37a, a stake witnessed by old marked bearing trees;

Thence S 88° 00' W, with FS Tract J-2-IV, within the William Dobie Survey, 21.10 chains to the place of beginning, containing **49.00** acres, be the same more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-37a-I
1.20 ACRES
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS***

All that certain tract or parcel of land lying and being in San Jacinto County, Texas, between the waters of the East Fork of San Jacinto River and Winters Creek, embracing in part the William Dobie patented Survey, A-93, dated April 3, 1852. Tract J-37a-I was acquired from Martha G. Allison, et al. by warranty deed dated September 17, 1936, and recorded in Volume 33, Pages 506 et seq, Deed Records, San Jacinto County, Texas, containing **1.20** acres, more or less. Tract J-37a-I is further described as follows for mineral leasing purposes.

Beginning at corner 1, common to corner 5 of Forest Service Tract J-37a and a corner of FS Tract J-2-IV, within the William Dobie Survey, A-93, a stake in the center of a road, once known as the Evergree-Cleveland road, witnessed by scribed bearing trees;

Thence S 89° 45' W, with FS Tract J-37a, within the William Dobie Survey, 6.50 chains to corner 2 of Tract J-37a-I, common to corner 4 of FS Tract J-37a, a stake in a pond witnessed by an old marked bearing tree and scribed bearing trees;

Thence N 00° 15' E, with FS Tract J-37a, within the William Dobie Survey, 3.30 chains to corner 3 of Tract J-37a-I, common to corner 3 of the Forest Service Tract J-37a, a stake in the center of a road, once known as the Evergreen-Cleveland road, witnessed by scribed bearing trees;

Thence S 62° 45' E, along the Evergreen-Cleveland road, within the William Dobie Survey, 7.20 chains to the place of beginning, containing 1.20 acres, be the same more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT K-2-II PARCEL #1
1,159.72 ACRES
DAVY CROCKETT NATIONAL FOREST
TRINITY COUNTY, TEXAS***

All that certain tract or parcel of land lying and being in Trinity County, Texas, on the waters of the Neches River, lying in the Antonio Andrada patented Survey, A-1, dated September 18, 1835, and the John George patented Survey, A-20, dated July 29, 1835, and being a portion of Tract K-2-II and also being the one-mile radius reserved area of the Joyce Foundation No. 1A well site, containing 1,166.72 acres less and except Exception No. 2 to Tract K-2-II containing 7.00 acres, leaving an net acreage available for lease as 1,159.72 acres, more or less. The Joyce #1A well was located South 08 Degrees 44' 50" East, 1,916.72 feet from the north corner of said John George Survey, Trinity County, Texas. Tract K-2-II was acquired from Trinity County Lumber Company by warranty deed dated December 20, 1935, and recorded in Volume 83, Pages 519-571, Deed Records, Trinity County, Texas. Said reserved area for Well #1A is described as follows:

Beginning at corner 33 of said Tract K-2-II, common to the Antonio Andrada Survey and the William S. Kinnard Survey, A-381;

Thence South 15 Degrees 30' West, within the Antonio Andrada Survey, 10.80 chains to corner 34 of Tract K-2-II, on the southeasterly line of the Antonio Andrada Survey and the northwesterly line of the John George Survey;

Thence South 45 Degrees 00' East, within the John George Survey. At 7.10 chains the centerline of right-of-way State Highway 94. At 7.80 chains to corner 35 of Tract K-2-II;

Thence North 31 Degrees 45' East, along the easterly right-of-way line of State Highway 94, and within the John George Survey, 27.60 chains to corner 36 of Tract K-2-II, a Forest Service standard concrete post marked K-294;

Thence South 46 Degrees 00' East common to the John George and Maria Bonita Mancha Surveys, a calculated distance of 99.79 chains to a point for corner, said point being on the one-mile radius of the Joyce Foundation Well #1A, said well bearing South 08 Degrees 44' 50" East, 1916.72 feet from the North corner of said John George Survey;

Thence with said curve to the right having a radius of 80.00 chains, within the John George and Antonio Andrada Surveys, a calculated arc length of 268.90 chains to a point for corner on line between corners 32 and 33 of Tract K-2-II;

Thence South 45 Degrees 30' East, within the Antonio Andrada Survey, a calculated distance of 51.25 chains to the place of beginning, containing 1,166.72 acres, more or less, subject to Exception No. 2 of Tract K-2-II containing 7.00 acres, leaving a net acreage of 1,159.72 acres, more or less.

Exception No. 2: Beginning at corner 1, a Forest Service standard concrete post marked K-374. From this corner, corner 34 of Tract K-2-II bears North 45 Degrees 00' East, 15.50 chains distant;

Thence three lines within the John George Survey;

South 44 Degrees 00' East, 10.80 chains to corner 2 of Exception No. 2, on the westerly right-of-way line of State Highway No. 94;

South 31 Degrees 30' West, with the westerly right-of-way line of State Highway No. 94, 6.50 chains to corner 3 of Exception No. 2;

North 44 Degrees 30' West, 12.30 chains to corner 4 of Exception No. 2;

Thence North 45 Degrees 00' East, common to the John George and Antonio Andrada Surveys, 6.20 chains to the place of beginning, containing 7.00 acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #10
SAM HOUSTON NATIONAL FOREST
WALKER AND MONTGOMERY COUNTIES, TEXAS
2,364.44 ACRES**

All that certain tract or parcel of land lying and being in Walker and Montgomery Counties, Texas, on the waters of the West Fork of San Jacinto River and West Sandy Creek, embracing in part the following patented surveys: Thomas A. Cresup, A-111, dated April 15, 1847; George W. Robinson, A-454, dated August 11, 1845; and Charles Clabough, A-131, dated March 13, 1847, and being a portion of Tract J-1-I identified as Parcel #1 for mineral leasing purposes only, containing **2,364.44** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #1 is further described as follows for mineral leasing purposes.

Beginning at corner 136 of Forest Service Tract J-1-I, the point of beginning for Tract J-1-I Parcel #1, the southeast corner of the Thomas A. Cresup Survey, A-111, and the northeast corner of the Wm. M. Addison Survey, A-705-Walker Co., a stake witnessed by old marked bearing trees;

Thence N 89° 45' W, with the boundary of USFS Tract J-1-III and J-1-VI, common to the Thomas A. Cresup Survey and in part to the Wm. M. Addison Survey, the T. & N.O.R.R. Co. Survey No. 19, A-574, and the R. H. Chadduck Survey, A-154. At 46.70 chains the Walker and Montgomery County line. At 123.90 chains corner 137 of J-1-I, the southwest corner of the Thomas A. Cresup Survey and a corner of the R. H. Chadduck Survey, a Forest Service standard concrete post marked J-84;

Thence N 00° 45' W, continuing with the boundary of USFS Tracts J-1-III and J-1-II, common to the Thomas A. Cresup Survey and in part to the R. H. Chadduck Survey, the Thomas S. Foster Survey, A-720-Walker, A-738-Montgomery, and the Lemuel Smith Survey, A-500. At 46.00 chains the Walker and Montgomery County line. At 97.50 chains the northeast corner of the Thomas S. Foster Survey and the southeast corner of the Lemuel Smith Survey, a FS standard concrete post marked J-85, witnessed by scribed bearing trees. At a calculated distance of 137.10 chains a point for corner of Tract J-1-I Parcel #1;

Thence a calculated bearing and distance of S 89° 29' 01" E, across FS Tract J-1-I within the Thomas A. Cresup Survey and in part underneath Lake Conroe, 153.40 chains to a point for corner of Tract J-1-I Parcel #1, identical with corner 1 of Exception No. 3 to Tract J-1-I, a FS standard concrete post marked J-92;

Thence S 45° 00' E, within the George W. Robinson Survey, A-454, 80.80 chains to a point for corner of Tract J-1-I Parcel #1, identical with corner 10 of Exception No. 3 to Tract J-1-I, a stake witnessed by old marked bearing trees;

Thence a calculated bearing and distance of S 47° 00' W, across FS Tract J-1-I and in part underneath Lake Conroe, common in part to the George W. Robinson Survey and the Alexander Whittaker Survey, A-581, and within the Charles Clabough Survey, A-131, 116.00 chains to the point of beginning, containing **2,364.44** acres, be the same, more or less, with approximately 2,186.91 acres laying in Walker County and 177.53 acres laying within Montgomery County.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #2
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
2,523.68 ACRES**

All that certain tract or parcel of land lying and being in Walker County, Texas, on the waters of the West Fork of San Jacinto River and West Sandy Creek, embracing in part the following patented surveys: Thomas A. Cresup, A-111, dated April 15, 1847; Susan Vince, A-50, dated May 3, 1831; and Henry Smith, A-514, dated December 8, 1847, and being a portion of Tract J-1-I identified as Parcel #2 for mineral leasing purposes only, containing **2,523.68** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #2 is further described as follows for mineral leasing purposes.

Beginning at corner 1 of Forest Service Tract J-1-I, the point of beginning for Tract J-1-I Parcel #2, common to FS Tract J-1-II, identical with the northwest corner of the Thomas A. Cresup Survey, A-111, and the northeast corner of the Lemuel Smith Survey, A-500, on the southerly line of the Susan Vince Survey, A-50, a FS standard concrete post marked J-60;

Thence S 89° 30' W, with Tract J-1-II and J-1-VI, common to the Lemuel Smith and Susan Vince Surveys, 7.20 chains to corner 2 of J-1-I, a stake witnessed by scribed bearing trees;
Thence N 09° 30' W, within the Susan Vince Survey, at 38.30 chains a stake in the right bank of West Sandy Creek. At 38.60 chains corner 3 of Tract J-1-I Parcel #2, a point in the center of West Sandy Creek;
Thence southeasterly down and with the meanders of West Sandy Creek, within the Susan Vince Survey, 39.00 chains to corner 4 of Tract J-1-I Parcel #2, a point in the center of West Sandy Creek, said line having the following courses and distances:

N 79° 15' 36" E, 0.94 chains to a point;
S 79° 11' 23" E, 1.13 chains to a point;
S 02° 30' 48" W, 1.86 chains to a point;
S 44° 41' 09" E, 0.68 chains to a point;
N 81° 22' 58" E, 1.01 chains to a point;
S 60° 17' 01" E, 0.94 chains to a point;
S 81° 18' 28" E, 1.12 chains to a point;
S 53° 07' 36" E, 1.88 chains to a point;
N 75° 22' 23" E, 0.57 chains to a point;
N 10° 47' 09" E, 0.70 chains to a point;
N 61° 13' 20" E, 1.52 chains to a point;
N 85° 30' 28" E, 2.21 chains to a point;
S 57° 55' 41" E, 2.58 chains to a point;
S 30° 49' 02" E, 1.57 chains to a point;
N 61° 59' 36" E, 2.92 chains to a point;
S 40° 28' 19" E, 1.65 chains to a point;
S 86° 11' 40" E, 2.62 chains to a point;

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Tract J-1-I Parcel #2
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S 85° 15' 02" E, 1.48 chains to a point;
S 72° 43' 11" E, 0.81 chains to a point;
S 45° 08' 35" W, 1.41 chains to a point;
S 11° 51' 14" W, 0.83 chains to a point;
S 79° 04' 23" E, 1.92 chains to a point;
N 40° 32' 34" E, 0.74 chains to a point;
N 66° 38' 24" E, 0.70 chains to a point;
S 72° 57' 31" E, 0.50 chains to a point;
N 60° 01' 10" E, 1.59 chains to a point;
S 41° 23' 35" E, 1.51 chains to a point;
S 03° 16' 52" E, 0.79 chains to a point;
S 61° 19' 53" W, 1.23 chains to a point;
N 87° 45' 08" E, 2.47 chains to a point;
N 73° 01' 56" E, 1.84 chains to a point;

Thence S 09° 00' E, within the Susan Vince Survey, at 0.20 chain a stake in the right bank of West Sandy Creek. At 29.50 chains to corner 5 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

Thence N 89° 30' E, common to the Susan Vince and the Thomas A. Cresup Surveys, 35.60 chains to corner 6 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

Thence N 09° 30' W, within the Susan Vince Survey, at 16.00 chains the Atlantic Pipe Line Co. pipeline. At 34.00 chains a stake in the right bank of the West Fork of San Jacinto River witnessed by old marked bearing trees. At 34.50 chains corner 7 of Tract J-1-I Parcel #2, a point in the center of the West Fork of San Jacinto River;

Thence in a general northwesterly direction up and with the meanders of West Sandy Creek, common to the Susan Vince Survey and the Henry H. Smith Survey, A-514, 14.00 chains to corner 8 of Tract J-1-I Parcel #2, a point in the center of West Sandy Creek, said line having the following courses and distances:

N 88° 59' W, 1.68 chains to a point;
N 42° 38' W, 4.73 chains to a point;
N 50° 09' W, 2.64 chains to a point;
N 10° 25' E, 4.42 chains to a point;

Thence N 54° 45' E, partly within the Henry H. Smith Survey and common to the Henry H. Smith Survey and the Samuel Lindley Survey, A-320, at 0.40 chain a stake in the left bank of the West Fork of San Jacinto River. At 61.40 chains corner 9 of Tract J-1-I Parcel #2, a corner of the Henry H. Smith and Samuel Lindley Surveys, the Margaret Talbot Survey, A-541, and the Thomas J. Hall Survey, dated June 12, 1856;

Thence S 35° 00' E, common to the Henry H. Smith and Thomas J. Hall Surveys, 1.00 chain corner 10 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

Thence two lines within the Henry H. Smith Survey:

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Tract J-1-I Parcel #2
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S 03° 00' E, 20.20 chains to corner 11 of Tract J-1-I Parcel #2, a FS standard concrete post marked J-11;

S 51° 00' E, 11.80 chains to corner 12 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

Thence S 55° 00' W, common to the Henry H. Smith Survey and the Thomas J. Hall Survey, A-265, 41.50 chain corner 13 of Tract J-1-I Parcel #2, a point in the center of an old channel of the West Fork of the San Jacinto River;

Thence in a general southeasterly direction down and with the meanders of the old channel of the West Fork of the San Jacinto River, common to the Susan Vince and the Thomas J. Hall Surveys, 6.00 chains to intersection with the channel of the West Fork of San Jacinto River. Thence continuing in a general southeasterly direction, down and with the meanders of the West Fork of San Jacinto River, common to the Susan Vince and Thomas J. Hall Surveys, 39.00 chains to corner 14 of Tract J-1-I Parcel #2, identified as the southeast corner of the Susan Vince Survey and the beginning corner of the Thomas A. Cresup Survey, A- 111, a stake on the right bank witnessed by old marked bearing trees, said line having the following courses and distances:

N 86° 45' 56" E, 0.63 chain to a point;
S 44° 40' 44" E, 3.62 chains to a point;
S 15° 38' 37" E, 1.07 chains to a point;
S 80° 41' 54" E, 0.47 chain to a point;
S 54° 13' 41" E, 0.54 chain to a point;
N 74° 16' 57" E, 0.56 chain to a point;
N 20° 14' 53" W, 2.00 chains to a point;
N 02° 18' 54" E, 1.70 chains to a point;
N 44° 45' 15" E, 0.79 chain to a point;
S 47° 00' 20" E, 1.84 chains to a point;
S 00° 16' 48" E, 1.67 chains to a point;
S 63° 06' 40" E, 4.28 chains to a point;
S 10° 36' 38" E, 0.91 chain to a point;
S 16° 06' 16" W, 1.33 chains to a point;
S 35° 48' 58" W, 3.03 chains to a point;
S 06° 16' 27" W, 1.12 chains to a point;
S 55° 15' 35" E, 2.71 chains to a point;
S 38° 34' 44" E, 2.49 chains to a point;
S 26° 42' 28" E, 2.60 chains to a point;
S 11° 03' 04" W, 0.91 chain to a point;
S 40° 12' 56" E, 0.59 chain to a point;
N 38° 01' 54" E, 1.11 chains to a point;
N 11° 39' 38" E, 2.95 chains to a point;
S 81° 05' 56" E, 1.35 chains to a point;
S 29° 01' 54" E, 3.78 chains to a point;
S 26° 45' 06" E, 1.76 chains to a point;
S 22° 06' 02" W, 2.72 chains to a point;
S 17° 16' 09" W, 4.63 chains to a point;

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Tract J-1-I Parcel #2
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Thence N 56° 00' E, common to the Thomas A. Cresup Survey and the Thomas J. Hall Survey, A-265, 38.20 chains to corner 15 of Tract J-1-I Parcel #2, the northerly corner of the Thomas A. Cresup Survey and a corner of the Thomas J. Hall Survey, A-257;

Thence S 35° 30' E, common to the Thomas A. Cresup Survey and the Thomas J. Hall Survey, A-257, 54.30 chains to corner 16 of Tract J-1-I Parcel #2, the southerly corner of the Thomas J. Hall Survey, A-257, and a corner of the Thomas A. Cresup Survey, a stake witnessed by scribed bearing trees;

Thence S 55° 00' W, within the Thomas A. Cresup Survey, 6.40 chains to corner 17 of Tract J-1-I Parcel #2, a point in the center of the West Fork of San Jacinto River;

Thence in a general southeasterly direction, down and with the meanders of the West Fork of San Jacinto River, within the Thomas A. Cresup Survey, 15.00 chains to intersection with the old channel of the West Fork of San Jacinto River. Thence continuing in a general southeasterly direction, down and with the old channel of the West Fork of San Jacinto River, within the Thomas A. Cresup Survey, 28.00 chains to corner 18 of Tract J-1-I Parcel #2, a point in center of old channel, having a calculated chord bearing and distance of S 17° 27' 44" E, 31.85 chains;

Thence S 83° 30' E, within the Thomas A. Cresup Survey, at 5.40 chains and 7.30 chains the right bank of the West Fork of San Jacinto River. At 12.00 chains the center of the West Fork of San Jacinto River. At 18.60 chains corner 19 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

Thence three lines within the Thomas A. Cresup Survey:

S 01° 15' E, 18.30 chains to corner 20 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

S 76° 30' E, 4.80 chains to corner 21 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

S 65° 00' E, 8.40 chains to corner 22 of Tract J-1-I Parcel #2, a stake witnessed by scribed bearing trees;

Thence a calculated bearing and distance of S 07° 30' W, across Tract J-1-I within the Thomas A. Cresup Survey and being common to an western boundary of Tract J-1-I Parcel #3 lease offer, 22.50 chains to a point for corner Tract J-1-I Parcel #2, identical with corner 2 of Exception No. 3 of Tract J-1-I, a stake witnessed by old marked bearing trees;

Thence S 45° 30' W, common to the Thomas A. Cresup Survey and the George W. Robinson Survey, A-454, 40.40 chains to a point for corner of Tract J-1-I Parcel #2, identical with corner 1 of Exception No. 3 of Tract J-1-I, a FS standard concrete post marked J-92;

Thence a calculated bearing and distance of N 89° 29' 01" W, across Tract J-1-I within the Thomas A. Cresup Survey and in part being under Lake Conroe, 153.40 chains to a point for corner of Tract J-1-I Parcel #2, said point being on line common to the Thomas A. Cresup Survey and the Lemuel Smith Survey, A-500, and said line also being common to the north boundary of Tract J-1-I Parcel #1 lease offer.

Thence N 00° 45' W, common to the Thomas A. Cresup Survey and the Lemuel Smith Survey, a calculated distance of 128.90 chains to the point of beginning, containing **2,523.68** acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #3
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
1,600.66 ACRES**

All that certain tract or parcel of land lying and being in Walker County, Texas, on the waters of the West Fork of San Jacinto River and East Sandy Creek, embracing in part the following patented surveys: Thomas A. Cresup, A-111, dated April 15, 1847; T. A. Milikien, A-721, dated August 18, 1909; I. & G.N.O.R.R. Co., A-690, dated April 13, 1878; Jacob Pattison, A-436, dated June 29, 1849; William Elkin, A-178, dated March 20, 1848; Thomas Chatham, A-146, dated February 11, 1846, and Thomas A. Cresup, A-123, dated October 25, 1849, and being a portion of Tract J-1-I identified as Parcel #3 for mineral leasing purposes only, containing **1,600.66** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #3 is further described as follows for mineral leasing purposes.

Beginning at corner 22 of Forest Service Tract J-1-I, the point of beginning for Tract J-1-I Parcel #3, within the Thomas A. Cresup Survey, A-111, a stake witnessed by scribed bearing trees;

Thence seven lines within the Thomas A. Cresup Survey:

N 22° 00' E, 5.80 chains to corner 23 of Tract J-1-I Parcel #3, a stake witnessed by scribed bearing trees;

N 05° 00' W, 4.00 chains to corner 24 of Tract J-1-I Parcel #3, a stake witnessed by scribed bearing trees;

S 84° 30' E, 10.10 chains to corner 25 of Tract J-1-I Parcel #3, a stake witnessed by scribed bearing trees;

N 06° 30' E, 3.70 chains to corner 26 of Tract J-1-I Parcel #3, a stake witnessed by scribed bearing trees;

East, 12.90 chains to corner 27 of Tract J-1-I Parcel #3, a stake witnessed by scribed bearing trees;

N 05° 30' E, 6.20 chains to corner 28 of Tract J-1-I Parcel #3, a stake witnessed by scribed bearing trees;

N 82° 30' W, 15.30 chains to corner 29 of Tract J-1-I Parcel #3, on the east side of the old Huntsville and Montgomery Road, an iron rod witnessed by scribed bearing trees;

Thence N 21° 00' E, within the Thomas A. Cresup Survey, 27.50 chains corner 30 of J-1-I, on the west side of the old Huntsville and Montgomery Road, a stake witnessed by scribed bearing trees;

Thence N 80° 00' E, within the Thomas A. Cresup Survey, 17.00 chains corner 31 of J-1-I, a corner of the Thomas A. Cresup Survey and the northerly corner of the T. A. Milikien Survey, A-721, a stake witnessed by scribed bearing trees;

Thence N 34° 00' W, common to the Thomas A. Cresup Survey and the I. & G.N.R.R. Co. Survey, A-690, 49.70 chains to corner 32 of J-1-I, identical with the easterly corner of the Thomas J. Hall Survey, A-257, the southerly corner of the James Jordan Survey, A-28, and a corner of the Thomas A. Cresup Survey, on the north side of a road;

EXHIBIT L
Tract J-1-I Parcel #3
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Thence N 55° 00' E, common to the I. & G.N.R.R. Co. and James Jordan Surveys, 19.90 chains to corner 33 of Tract J-1-I, the northerly corner of the I. & G.N.R.R. Co. Survey and the westerly corner of the Caswell Bell Survey, A-85, on the south side of the old Huntsville and New Waverly Road, a FS standard concrete post marked J-8, witnessed by scribed bearing trees;

Thence S 34° 30' E, common to the I. & G.N.R.R. Co. and Caswell Bell Surveys, 39.30 chains to corner 34 of Tract J-1-I, the southerly corner of the Caswell Bell Survey, and a corner of the I. & G.N.R.R. Co. Survey, a stake witnessed by scribed bearing trees;

Thence N 54° 15' E, common to the I. & G.N.R.R. Co. and Caswell Bell Surveys, 40.60 chains to corner 35 of Tract J-1-I, the easterly corner of the Caswell Bell Survey, the southerly corner of the John Stidham Survey, A-522, the westerly corner of the William Stidham Survey, A-521, and a corner of the I. & G.N.R.R. Co. Survey, a stake witnessed by old marked bearing trees;

Thence S 36° 00' E, common to the I. & G.N.R.R. Co. and William Stidham Surveys, 27.00 chains to corner 36 of Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence N 45° 30' W, common to the I. & G.N.R.R. Co. and the Thomas Cook Survey, A-147, 3.80 chains to corner 37 of Tract J-1-I, the northerly corner of the Thomas Cook Survey, a stake witnessed by scribed bearing trees;

Thence S 45° 00' W, common in part to the Thomas Cook Survey and the Jacob Pattison Survey, A-436, and in part to the I. & G.N.R.R. Co., T. A. Milikien and Thomas A. Cresup Surveys, 88.70 chains to corner 38 of Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence two lines within the Jacob Pattison Survey:

S 45° 00' E, 32.30 chains to corner 39 of Tract J-1-I, a stake witnessed by scribed bearing trees;
N 44° 00' E, 32.00 chains to corner 40 of Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence S 45° 00' E, common in part to the Thomas Cook and Jacob Pattison Surveys, 24.60 chains to corner 41 of Tract J-1-I, the southerly corner of the Thomas Cook Survey and the westerly corner of the Thomas Chatham Survey, A-146, a stake witnessed by scribed bearing trees;

Thence N 45° 00' E, common in part to the Thomas Cook and Thomas Chatham Surveys, 33.00 chains to corner 42 of Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence two lines within the Thomas Chatham Survey:

S 45° 00' E, 16.50 chains to corner 43 of Tract J-1-I, a stake witnessed by scribed bearing trees;
N 45° 00' E, 24.10 chains to corner 44 of Tract J-1-I, a stake witnessed by scribed bearing trees;

EXHIBIT L
Tract J-1-I Parcel #3
Description Page 3 of 3

Thence S 45° 00' E, common to the John M. Springer Survey, A-520 and in part to the Thomas Cresup Survey, A-123, and the Thomas Chatham Survey, 50.70 chains to corner 45 of Tract J-1-I, the southerly corner of the John M. Springer Survey and a corner of the Thomas A. Cresup Survey, a FS standard concrete post marked J-91;

Thence N 45° 00' E, common to the John M. Springer and Thomas Cresup A-123 Surveys, 30.00 chains to corner 46 of Tract J-1-I, a stake witnessed by old marked bearing trees;

Thence a calculated bearing and distance of S 45° 00' 28" E, across FS Tract J-1-I within the Thomas A. Cresup A-123 Survey, 38.40 chains to a point for corner of Tract J-1-I Parcel #3, said line common to a southwestern boundary of issued BLM lease NM-105601;

Thence a calculated bearing and distance of S 43° 15' 31" W, across FS Tract J-1-I within the Thomas A. Cresup A-123 Survey, 29.00 chains to a point for corner of Tract J-1-I Parcel #3, identical with corner 3 of Exception No. 2 to Tract J-1-I, the northerly corner of the Z. Wilson Survey, A-604 and a corner of the Thomas A. Cresup A-123 Survey;

Thence S 45° 30' W, common to the Z. Wilson Survey and in part to the Thomas A. Cresup Survey, A-123 and the William Elkin Survey, A-178, 57.20 chains to a point for corner of Tract J-1-I Parcel #3, identical with corner 2 of Exception No. 2 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence a calculated bearing and distance of N 45° 41' 21" W, across FS Tract J-1-I within the William Elkin Survey and common in part to the James McFarland Survey, A-402, and the Thomas Chatham Survey, 55.50 chains to a point for corner of Tract J-1-I Parcel #3, identical with corner 5 of Exception No. 3 to Tract J-1-I, said line being common to Tract J-1-I Parcel #4 lease offer;

Thence N 45° 00' W, common to the William Elkin and Thomas Chatham Surveys, 27.60 chains to a point for corner of Tract J-1-I Parcel #3, identical with corner 4 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence S 45° 00' W, common to the Jacob Pattison Survey and in part to the William Elkin Survey and the Alexander Whittaker Survey, A-581, at 56.10 chains the northerly corner of the Alexander Whittaker Survey and the westerly corner of the William Elkin Survey, a FS standard concrete post marked J-93. At 80.00 chains to a point for corner of Tract J-1-I Parcel #3, identical with corner 3 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence N 45° 00' W, common to the Jacob Pattison Survey and the George Robinson Survey, A-454, 80.00 chains to a point for corner of Tract J-1-I Parcel #3, identical with corner 2 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence a calculated bearing and distance of N 07° 30' E, across FS Tract J-1-I within the Thomas A. Cresup Survey, A-111, and said line being common to lease offer Tract J-1-I Parcel #2, 22.50 chains to the point of beginning, containing **1,600.66** acres, be the same, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #4
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
1,951.63 ACRES**

All that certain tract or parcel of land lying and being in Walker County, Texas, on the waters of the West Fork of San Jacinto River and East Sandy Creek, embracing in part the following patented surveys: William Elkin, A-178, dated March 20, 1848; James McFarland, A-402, dated February 11, 1846; Alexander Whittaker, A-581, dated August 5, 1841; John Harper, A-247, dated January 2, 1845; George W. Robinson, A-454, dated August 11, 1845; and Charles Clabough, A-131, dated March 13, 1847, and being a portion of Tract J-1-I identified as Parcel #4 for mineral leasing purposes only, containing **1,951.63** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #4 is further described as follows for mineral leasing purposes.

Beginning at corner 132 of Forest Service Tract J-1-I, the point of beginning for Tract J-1-I Parcel #4, a corner of the William S. Taylor Survey, A-540, and Alexander Whittaker Survey, A-581, common to US Forest Service Tract J-1-III, a stake witnessed by scribed bearing trees;

Thence S 44° 30' W, with the boundary of USFS Tract J-1-III, common to the Alexander Whittaker and William S. Taylor Surveys, at 42.20 chains the left bank and at 47.80 chains the right bank of the West Fork of San Jacinto River. At 59.80 corner 133 of J-1-I, the southerly corner of the Alexander Whittaker Survey and a corner of the William S. Taylor Survey, a stake witnessed by scribed bearing trees, said line being in part under Lake Conroe;

Thence N 45° 30' W, continuing with the boundary of USFS Tract J-1-III under Lake Conroe, common to the Alexander Whittaker Survey and in part to the William S. Taylor Survey and the Larkin Day Survey, A-163, at 49.50 and 53.20 chains the West Fork of San Jacinto River. At 57.80 chains corner 134 of Tract J-1-I Parcel #4, the northeast corner of the Larkin Day Survey and the southeast corner of the Charles Clabough Survey, A-131;

Thence S 89° 30' W, continuing with the boundary of USFS Tract J-1-III, common to the Charles Clabough and Larkin Day Surveys, 86.30 chains corner 135 of J-1-I, the southwest corner of the Charles Clabough Survey and the northwest corner of the Larkin Day Survey; a stake witnessed by scribed bearing trees, said line being in part under Lake Conroe;

Thence North, continuing with the boundary of USFS Tract J-1-III, common to the Charles Clabough Survey and the William M. Addison Survey, A-705, 10.90 chains corner 136 of J-1-I, the southeast corner of the Thomas A. Cresup Survey, A-111, and the northeast corner of the William M. Addison Survey, a stake witnessed by old marked bearing trees;

Thence a calculated bearing and distance of N 47° 00' E, across FS Tract J-1-I within the Charles Clabough Survey and George Robinson Survey, A-454, and in part with the Alexander Whittaker Survey, 116.00 chains to a point for corner of Tract J-1-I Parcel #4, identical with corner 10 of Exception No. 3 to Tract J-1-I, with said line being common to lease offer Tract J-1-I Parcel #1 and being partly underneath Lake Conroe;

EXHIBIT M
Tract J-1-I Parcel #4
Description Page 2 of 2

Thence N 45° 00' E, common to the George W. Robinson Survey and Alexander Whittaker Surveys, at 11.00 chains East Sandy Creek. At 25.00 chains a point for corner of Tract J-1-I Parcel #4, identical with corner 9 of Exception No. 3 to Tract J-1-I, a stake witnessed by old marked bearing trees;

Thence two lines within the Alexander Whittaker Survey and with Exception No. 3 to Tract J-1-I:

S 45° 30' E, 29.30 chains a point for corner of Tract J-1-I Parcel #4, identical with corner 8 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

N 44° 30' E, 38.80 chains a point for corner of Tract J-1-I Parcel #4, identical with corner 7 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence N 45° 00' W, common to the Alexander Whittaker Survey and the William Elkin Survey, A-178, 1.40 chains to a point for corner of Tract J-1-I Parcel #4, identical with corner 6 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence N 45° 00' E, within the William Elkin Survey, 56.80 chains to a point for corner of Tract J-1-I Parcel #4, identical with corner 5 of Exception No. 3 to Tract J-1-I, a stake witnessed by scribed bearing trees;

Thence a calculated bearing and distance of S 45° 41' 21" E, common in part to the William Elkin Survey and the Thomas Chatham Survey, A-146, within the William Elkin Survey and common in part to the William Elkin Survey and the James McFarland Survey, A-402, 55.50 chains to a point for corner of Tract J-1-I Parcel #4, identical with corner 2 of Exception No. 2 to Tract J-1-I, and said line being common to lease offer Tract J-1-I Parcel #3;

Thence a calculated bearing and distance of S 27° 42' 57" W, across FS Tract J-1-I and lying partly within the James McFarland, Alexander Whittaker and John Harper Surveys and said line being common to lease offer Tract J-1-I Parcel #5, 129.13 chains to the point of beginning, containing **1,951.63** acres, be the same, more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #5
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
2,298.16 ACRES***

All that certain tract or parcel of land lying and being in Walker County, Texas, on the waters of the West Fork of San Jacinto River and East Sandy Creek, embracing in part the following patented surveys: Heirs of Henry Applewhite, A-60, dated June 12, 1872; Heirs of Henry Applewhite, A-59, dated June 12, 1872; James McFarland, A-402, dated February 11, 1846; Alexander Whittaker, A-581, dated August 5, 1841; John Harper, A-247, dated January 2, 1845; Z. Wilson, A-604, dated February 11, 1846; Thomas Cresup, A-123, dated October 25, 1849; Thomas Corner, A-144, dated August 11, 1845; and Heirs of John S. Williams, A-561, dated December 21, 1904, and being a portion of Tract J-1-I identified as Parcel #5 for mineral leasing purposes only, containing **2,298.16** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #5 is further described as follows for mineral leasing purposes.

Beginning at corner 131 of Forest Service Tract J-1-I, the point of beginning for Tract J-1-I Parcel #5, the southwest corner of the John Harper Survey, A-247, a stake witnessed by scribed bearing trees;

Thence N 00° 30' W, with the boundary of USFS Tract J-1-III, common to the John Harper Survey and the William S. Taylor Survey, A-540, 46.00 chains to corner 132, a corner of the William S. Taylor Survey and the Alexander Whittaker Survey, A-581, a stake witnessed by scribed bearing trees, and said line being in part under Lake Conroe;

Thence a calculated bearing and distance of N 27° 42' 57" E, across FS Tract J-1-I and lying partly within the John Harper and Alexander Whittaker Surveys and the James McFarland Survey, A-402, 129.13 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 2 of Exception No. 2 to Tract J-1-I and said line being common to lease offer Tract J-1-I Parcel #4;

Thence S 45° 30' E, common to the James McFarland Survey and the Z. Wilson Survey, A-604, 32.50 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 1 of Exception No. 2 to Tract J-1-I, a Forest Service standard concrete post marked J-57;

Thence N 44° 30' E, within the Z. Wilson Survey, 57.00 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 4 of Exception No. 2 to Tract J-1-I;

Thence N 45° 00' W, common to the Z. Wilson Survey and in part to the Thomas Corner Survey, A-144 and the Thomas Cresup Survey, A-123, 31.80 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 3 of Exception No. 2 to Tract J-1-I, the northerly corner of the Z. Wilson Survey and a corner of the Thomas A. Cresup Survey;

Thence a calculated bearing and distance of N 43° 15' 31" E, across FS Tract J-1-I within the Thomas A. Cresup Survey, 29.00 chains to a point for corner of Tract J-1-I Parcel #5, with said line being common to lease offer Tract J-1-I Parcel #3;

EXHIBIT N
Tract J-1-I Parcel #5
Description Page 2 of 3

Thence a calculated bearing and distance of S 45° 00' 08" E, across FS Tract J-1-I within the Thomas a. Cresup Survey, 24.25 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 8 of Exception No. 1 to Tract J-1-I, on line common to the Thomas Cresup and Thomas Corner Surveys;

Thence S 46° 00' E, within the Thomas Corner Survey, 59.30 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 7 of Exception No. 1 to Tract J-1-I;

Thence S 45° 45' W, common to the Thomas Corner Survey and the Mary Martin Survey, A-381, 3.20 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 6 of Exception No. 1 to Tract J-1-I, which is also common to corner 2 of FS Tract J-3d, a corner of the Mary Martin Survey and the Heirs of Henry Applewhite A-59 Survey;

Thence S 45° 30' E, common to the Mary Martin and Heirs of Henry Applewhite A-59 Surveys, a calculated distance of 54.00 chains to a point for corner of Tract J-1-I Parcel #5;

Thence a calculated bearing and distance of S 47° 24' 31" W, across FS Tract J-1-I within the Heirs of Henry Applewhite A-59 Survey, and partly within the Heirs of John Williams Survey, A-561, 129.76 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 6 of Exception No. 4 to Tract J-1-I, the southeast corner of the William O'Neal Survey, A-424, and a corner of the Heirs of Henry Applewhite A-59 Survey;

Thence three lines with Exception No. 4 to Tract J-1-I and common to the William O'Neal and Heirs of Henry Applewhite A-59 Surveys:

N 09° 15' E, 56.60 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 5 of Exception No. 4 of Tract J-1-I;

N 80° 45' W, 31.00 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 4 of Exception No. 4 of Tract J-1-I;

S 09° 45' W, 56.70 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 3 of Exception No. 4 of Tract J-1-I, the southwest corner of the William O'Neal Survey and a corner of the Heirs of Henry Applewhite A-59 and A-60 Surveys;

Thence three lines with Exception No. 4 to Tract J-1-I within the Heirs of Henry Applewhite A-60 Survey:

S 10° 30' W, 8.30 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 2 of Exception No. 4 of Tract J-1-I;

S 80° 30' E, 17.80 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 1 of Exception No. 4 of Tract J-1-I;

N 10° 30' E, 8.20 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 7 of Exception No. 4 of Tract J-1-I;

Thence S 81° 00' E, with Exception No. 4 to Tract J-1-I, common to the William O'Neal and Heirs of Henry Applewhite A-60 Survey, 13.60 chains to a point for corner of Tract J-1-I Parcel #5, identical with corner 6 of Exception No. 4 of Tract J-1-I;

EXHIBIT N
Tract J-1-I Parcel #5
Description Page 3 of 3

Thence South, across Tract J-1-I within the Heirs of Henry Applewhite Survey, A-60, a calculated distance of 35.35 chains to a point for corner of Tract J-1-I Parcel #5, said corner identical with the northeast corner of Tract J-1-I Parcel #6 lease offer;

Thence a calculated bearing and distance of S 89° 59' 45" W, across FS Tract J-1-I within the Heirs of Henry Applewhite Survey, A-60 and common in part to the John Harper and John B. Tong Surveys and said line being common to the north line of lease offer Tract J-1-I Parcel #6 and partly under Lake Conroe, 120.55 chains to the point of beginning, containing **2,298.16** acres, be the same, more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #6
SAM HOUSTON NATIONAL FOREST
WALKER AND MONTGOMERY COUNTIES, TEXAS
1,332.06 ACRES***

All that certain tract or parcel of land lying and being in Walker and Montgomery Counties, Texas, on the waters of the West Fork of San Jacinto River, East Sandy Creek and Hostetter Creek, embracing in part the following patented surveys: Heirs of Henry Applewhite, A-60, dated June 12, 1872; William R. Martin, A-380-Walker, A-367-Montgomery, dated February 10, 1846; and John B. Tong, A-537-Walker and A-548-Montgomery, dated July 30, 1844, and being a portion of Tract J-1-I identified as Parcel #6 for mineral leasing purposes only, containing **1,332.06** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #6 is further described as follows for mineral leasing purposes.

Beginning at corner 122 of Forest Service Tract J-1-I, the point of beginning for Tract J-1-I Parcel #6, the southwest corner of the John B. Tong Survey, A-537-W, and a corner of the Christopher Vandevander Survey, A-506, a point under Lake Conroe;

Thence North, with Forest Service Tract J-1-III, continuing under Lake Conroe and being common to the John B. Tong Survey and in part to the Christopher Vandevander Survey and the William S. Taylor Survey, A-540-Walker, at 45.00 chains the Walker and Montgomery County Line, At 61.60 chains corner 123 of Tract J-1-I, a stake witnessed by marked bearing trees;

Thence five lines within the John B. Tong Survey and being under Lake Conroe:

S 89° 45' E, 48.40 chains to corner 124 of Tract J-1-I;

N 00° 30' W, at 12.00 chains the West Fork of San Jacinto River. At 19.90 chains, corner 125 of Tract J-1-I;

N 89° 30' W, at 3.00 chains the West Fork of San Jacinto River. At 32.00 chains to corner 126 of Tract J-1-I;

N 00° 30' E, 21.00 chains to corner 127 of Tract J-1-I;

S 60° 30' W, 12.80 chains to corner 128 of Tract J-1-I, north of the old Longstreet and New Waverly Road, FS standard concrete post marked J-41;

Thence N 46° 30' W, within the John B. Tong Survey, 7.00 chains to corner 129 of Tract J-1-I;

Thence North, common to the John B. Tong and William S. Taylor Surveys, 3.30 chains to corner 130 of Tract J-1-I, the northwest corner of the John B. Tong Survey;

Thence East, common to the John B. Tong and William S. Taylor Surveys and partly under Lake Conroe, at 24.00 chains the West Fork of San Jacinto River. At 28.60 chains corner 131 of Tract J-1-I, the southwest corner of the John Harper Survey, A- 247;

EXHIBIT O
Tract J-1-I Parcel #6
Description Page 2 of 2

Thence a calculated bearing and distance of N 89° 59' 45" E, across FS Tract J-1-I common in part to the John Harper and John B. Tong Surveys and within the Heirs of Henry Applewhite Survey, A-60, 120.55 chains to a point for corner of Tract J-1-I Parcel #6, said line being common to lease offer Tract J-1-I Parcel #5 and partly under Lake Conroe;

Thence South, across FS Tract J-1-I, within the Heirs of Henry Applewhite Survey, A-60, and the William R. Martin Survey, A-380-Walker, a calculated distance of 104.39 chains to a point for corner of Tract J-1-I Parcel #6 on line common to the Thomas James Survey, A-287, said line being common in part to lease offer Tract J-1-I Parcel #7;

Thence a calculated bearing and distance of S 89° 59' 59" W, across FS Tract J-1-I common to the John B. Tong Survey and in part to the north line of the Thomas James Survey, A-287 and Tract J-1-I Parcel #8 lease offer, 149.34 chains to the point of beginning, under Lake Conroe, containing 1,433.56 acres, LESS AND EXCEPT 101.50 acres within Exception No. 5 of Tract J-1-I, described as follows, leaving a net area of **1,332.06** acres be the same, more or less, for Tract J-1-I Parcel #6, with approximately 921.70 acres being in Walker County and approximately 410.36 acres being in Montgomery County.

Exception No. 5 of Tract J-1-I: - Beginning at corner 1, a concrete monument. From this corner the northeast corner of the John B. Tong Survey bears N 00° 45' W, 20.50 chains distant;

Thence S 00° 45' E, common to the John B. Tong Survey and in part to the Heirs of Henry Applewhite Survey, A-60 and the William R. Martin Survey, A-380, 33.40 chains to corner 2 of Exception No. 5 of Tract J-1-I;

Thence three lines within the John B. Tong Survey:

S 89° 30' W, 29.90 chains to corner 3 of Exception No. 5 of Tract J-1-I;

Northwesterly, up and with the meanders of the bottom lands of the West Fork of San Jacinto River, 35.00 chains to corner 4, on the east edge of the bottomlands;

N 89° 30' E, 33.40 chains to the place of beginning, containing 101.50 acres, be the same, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #7
SAM HOUSTON NATIONAL FOREST
WALKER AND MONTGOMERY COUNTIES, TEXAS
1,520.67 ACRES**

All that certain tract or parcel of land lying and being in Walker and Montgomery Counties, Texas, on the waters of the West Fork of San Jacinto River and East Sandy Creek and Hosstetter Creek, embracing in part the following patented surveys: Heirs of Henry Applewhite, A-60, dated June 12, 1872; William R. Martin, A-380-Walker, A-367-Montgomery, dated February 10, 1846; James Moore, A-406, dated June 29, 1860; James H. Truitt, A-553-Walker, A-559-Montgomery, dated December 29, 1854; and John Hossteller, A-190, dated February 10, 1846, and being a portion of Tract J-1-I identified as Parcel #7 for mineral leasing purposes only, containing **1,520.67** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #7 is further described as follows for mineral leasing purposes.

Beginning at corner 99 of Tract J-1-I, the beginning corner of Tract J-1-I Parcel #7, and being the southwest corner of the John Saddler Survey, A-45-Walker, the northerly corner of the Samuel Lindley Survey, A-24 and a corner of the James H. Truitt Survey, A-553-Walker, a Forest Service standard concrete post marked J-23;

Thence three lines common to the Samuel Lindley and James H. Truitt Surveys:

S 25° 15' W, 46.90 chains to corner 100 of Tract J-1-I Parcel #7, in the center of Hosstetter Creek;

N 76° 30' W, 13.00 chains to corner 101 of Tract J-1-I Parcel #7;

S 15° 00' W, 2.10 chains to corner 102 of Tract J-1-I Parcel #7;

Thence N 76° 30' W, common to the James H. Truitt Survey and Rodney Hossteller Survey, A-270, 24.00 chains to corner 103 of Tract J-1-I Parcel #7;

Thence two lines common to the John Hossteller Survey, A-190 and the James H. Truitt Survey:

N 13° 30' E, 17.90 chains to corner 104 of Tract J-1-I Parcel #7;

N 76° 00' W, 8.90 chains to corner 105 of Tract J-1-I Parcel #7;

Thence two lines within to the John Hossteller Survey, A-190:

S 14° 30' W, 18.30 chains to corner 106 of Tract J-1-I Parcel #7;

N 75° 45' W, 19.80 chains to corner 107 of Tract J-1-I Parcel #7;

Thence S 14° 15' W, partly within the John Hossteller Survey, A-190, and common to the John Hossteller Survey and the Rodney Hossteller Survey, A-271, 50.50 chains to corner 108 of Tract J-1-I Parcel #7;

EXHIBIT P
Tract J-1-I Parcel #7
Description Page 2 of 2

Thence N 75° 45' W, within the John Hossteller Survey, 47.60 chains to corner 109 of Tract J-1-I Parcel #7, on the east line of the Thomas James Survey, A-287;

Thence a calculated bearing and distance of N 00° 13' 59" W, common to the Thomas James Survey and in part to the John Hossteller Survey and the William R. Martin Survey, A-367-Montgomery, 84.56 chains to a point for corner of Tract J-1-I Parcel #7, said point being the northeast corner of the Thomas James Survey and said line being common to Tract J-1-I Parcel #8 lease offer;

Thence a calculated bearing and distance of S 89° 59' 59" W, common to the Thomas James and William R. Martin Surveys, 14.25 chains to a point for corner of Tract J-1-I Parcel #7, said line being common to Tract J-1-I Parcel #8 lease offer;

Thence North, within the William R. Martin Survey and the Heirs of Henry Applewhite Survey, A-60, a calculated distance of 84.00 chains to a point for corner of Tract J-1-I Parcel #7, said line being common to Tract J-1-I Parcel #6 lease offer;

Thence a calculated bearing and distance of S 44° 30' E, within the Heirs of Henry Applewhite, William R. Martin, and James H. Truitt Surveys, 82.00 chains to a point for corner of Tract J-1-I Parcel #7;

Thence a calculated bearing and distance of N 89° 59' 59" E, within the James H. Truitt Survey and the James Moore Survey, A-406, 111.96 chains to a point for corner of Tract J-1-I Parcel #7, on line between corners 98 and 99 of Tract J-1-I;

Thence S 14° 45' W, common to the John Saddler Survey, and in part to the James Moore and James H. Truitt Surveys, 45.24 chains to the point of beginning, containing **1,520.67** acres, more or less, with approximately 271.67 acres being in Walker County and 1,249.00 acres being in Montgomery County, Texas.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #8
SAM HOUSTON NATIONAL FOREST
MONTGOMERY COUNTY, TEXAS
1,610.41 ACRES***

All that certain tract or parcel of land lying and being in Montgomery County, Texas, on the waters of the West Fork of San Jacinto River and East Sandy Creek and Hosstetter Creek, lying entirely within the Thomas James Survey, A-287, dated December 1, 1844, and being a portion of Tract J-1-I identified as Parcel #8 for mineral leasing purposes only, containing **1,610.41** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #8 is further described as follows for mineral leasing purposes.

Beginning at corner 109 of Tract J-1-I, the beginning corner of Tract J-1-I Parcel #8, and being on the boundary common to the John Hossteller Survey, A-190;

Thence S 00° 45' E, common to the Thomas James and John Hossteller Surveys, 19.00 chains to corner 110 of Tract J-1-I Parcel #8;

Thence N 89° 45' W, within the Thomas James Survey, at 67.00 chains the West Fork of San Jacinto River. At 165.50 chains, corner 111 of Tract J-1-I Parcel #8, said line being partly under Lake Conroe;

Thence N 01° 00' W, in part with Forest Service Tract J-1-III, common to the Thomas James Survey and in part to the Heirs of Jesse Hyatt Survey, A- 279, and the Christopher Vandevander Survey, A- 506, 45.30 chains to corner 112 of Tract J-1-I Parcel #8;

Thence eight lines within the Thomas James Survey and partly under Lake Conroe:

S 87° 30' E, 12.80 chains to corner 113 of Tract J-1-I Parcel #8;

S 88° 00' E, 14.50 chains to corner 114 of Tract J-1-I Parcel #8;

N 65° 00' E, 6.20 chains to corner 115 of Tract J-1-I Parcel #8;

N 37° 15' E, 5.80 chains to corner 116 of Tract J-1-I Parcel #8;

In a general northwesterly direction, up and with the meanders of the West Fork of San Jacinto River, 2.00 chains to corner 117, a point in the center of the West Fork of San Jacinto River, having a calculated chord bearing and distance of N 09° 00' W, 2.00 chains;

East, at 0.40 chain a stake in the left bank of the West Fork of San Jacinto River. At 6.80 chains corner 118 of Tract J-1-I Parcel #8;

N 00° 45' W, 16.60 chains to corner 119 of Tract J-1-I Parcel #8;

West, at 9.50 chains the West Fork of San Jacinto River. At 42.60 chains corner 120 of Tract J-1-I Parcel #8;

Thence N 01° 00' W, with FS Tract J-1-III, common to the Thomas James and Christopher Vandevander Surveys, 32.80 chains to corner 121 of Tract J-1-I Parcel #8, the northwest corner of the Thomas James Survey and a corner of the Christopher Vandevander Survey, a FS standard concrete post marked J-10;

EXHIBIT Q
Tract J-1-I Parcel #8
Description Page 2 of 2

Thence East, common to the Thomas James and Christopher Vandevander Surveys, 2.60 chains to corner 122 of Tract J-1-I Parcel #8;

Thence a calculated bearing and distance of N 89° 59' 59" E, across FS Tract J-1-I and partly under Lake Conroe, common to the Thomas James Survey and in part to the John B. Tong Survey, A-548-Montgomery, and the William Martin Survey, A-367-Montgomery, 149.34 chains to a point for corner of Tract J-1-I Parcel #8, said line also being common in part to Tract J-1-I Parcel #6 lease offer and said point being common to both Tract J-1-I Parcels #6 and #7 lease offers;

Thence a continuing a calculated bearing and distance of N 89° 59' 59" E, common to the Thomas James and William R. Martin Surveys, approximately 14.25 chains to a point for corner of Tract J-1-I Parcel #8, said line being common to Tract J-1-I Parcel #7 lease offer;

Thence a calculated bearing and distance of S 00° 13' 59" E, common to the Thomas James and William R. Martin Surveys, 84.56 chains to the point of beginning, containing **1,610.41** acres, more or less.

***DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-I PARCEL #9
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
839.38 ACRES***

All that certain tract or parcel of land lying and being in Walker County, Texas, on the waters of the West Fork of San Jacinto River and East Sandy Creek, embracing in part the following patented surveys: Heirs of Henry Applewhite, A-58, dated June 12, 1872; John C. Harrison, A-263, dated March 31, 1847; and William Higgins, A-249, dated March 15, 1845, and being a portion of Tract J-1-I identified as Parcel #9 for mineral leasing purposes only, containing **839.38** acres, more or less. Parent Tract J-1-I was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-I Parcel #9 is further described as follows for mineral leasing purposes.

Beginning at corner 87 of Tract J-1-I, the beginning corner of Tract J-1-I Parcel #9, the southerly corner of the John C. McKibbin Survey, A-415, and a corner of the Heirs of Henry Applewhite Survey, A-58;

Thence N 45° 45' E, common to the John C. McKibbin and Heirs of Henry Applewhite A-58 Surveys, 40.30 chains to corner 88 of Tract J-1-I Parcel #9, the easterly corner of the John C. McKibbin Survey and a corner of the Henry Applewhite Survey, a Forest Service standard concrete post marked J-3;

Thence S 45° 00' E, common to the Heirs of Henry Applewhite A-58 Survey and the James Thompson Survey, A-544, 6.50 chains to corner 89 of Tract J-1-I Parcel #9;

Thence three lines common to the Heirs of Henry Applewhite A-58 Survey and the Sidney Shepperd Survey, A-524:

S 45° 00' W, 23.40 chains to corner 90 of Tract J-1-I Parcel #9, the westerly corner of the Sidney Shepperd Survey and a corner of the Heirs of Henry Applewhite Survey;

S 45° 00' E, 42.10 chains to corner 91 of Tract J-1-I Parcel #9, the southerly corner of the Sidney Shepperd Survey and a corner of the Heirs of Henry Applewhite Survey;

N 45° 00' E, 7.00 chains to corner 92 of Tract J-1-I Parcel #9, the westerly corner of the A. A. Moore Survey, A-396, and a corner of the Heirs of Henry Applewhite Survey;

Thence S 45° 00' E, common to the A. A. Moore Survey and the Heirs of Henry Applewhite A-58 Survey, 19.30 chains to corner 93 of Tract J-1-I Parcel #9, the northerly corner of the John C. Harrison Survey, A-263, and the easterly corner of the Heirs of Henry Applewhite Survey, A-58;

Thence S 45° 00' W, common to the John C. Harrison Survey and the Heirs of Henry Applewhite A-58 Survey, 13.50 chains to corner 94 of Tract J-1-I Parcel #9;

EXHIBIT R
Tract J-1-I Parcel #9
Description Page 2 of 2

Thence three lines within the John C. Harrison Survey:

S 44° 45' E, 41.60 chains to corner 95 of Tract J-1-I Parcel #9;
S 43° 30' W, 19.40 chains to corner 96 of Tract J-1-I Parcel #9;
S 43° 45' E, 14.60 chains to corner 97 of Tract J-1-I Parcel #9;

Thence S 45° 00' W, common to the Charles Edwards Survey, A-445 and in part to the John C. Harrison Survey and the William Higgins Survey, A-249, 47.80 chains to corner 98 of Tract J-1-I Parcel #9, the northwest corner of the John Saddler Survey, A-45-Walker, the southwest corner of the Charles O. Edwards Survey, and a corner of the William Higgins Survey, a FS standard concrete post marked J-14;

Thence a calculated bearing and distance of N 45° 00' W, across FS Tract J-1-I within the William Higgins Survey, 70.50 chains to a point for corner of Tract J-1-I Parcel #9, said point being on line between corners 4 and 5 of Exception No. 1 to Tract J-1-I, identical to being between corners 8 and 1 of FS Tract J-3d;

Thence N 44° 45' E, common to the William Higgins Survey and the Mary Martin Survey, A-381, a calculated distance of 23.80 chains to a point for corner of Tract J-1-I Parcel #9, identical with corner 4 of Exception No. 1 to Tract J-1-I and corner 8 of FS Tract J-3d;

Thence N 45° 30' W, common to the Heirs of Henry Applewhite A-58 Survey and the Mary Martin Survey, 41.90 chains to a point for corner of Tract J-1-I Parcel #9, identical with corner 7 of FS Tract J-3d;

Thence continuing N 45° 30' W, common to the Heirs of Henry Applewhite A-58 Survey and the Mary Martin Survey, 35.30 chains to a point for corner of Tract J-1-I Parcel #9, identical with corner 3 of Exception No. 1 to Tract J-1-I, a FS standard concrete post marked J-63;

Thence a calculated bearing and distance of N 44° 45' 52" E, common in part to the Heirs of Henry Applewhite A-58 Survey and the John B. Chesher Survey, A-130, and partly within the Heirs of Henry Applewhite A-58 Survey, 33.97 chains to a point for corner of Tract J-1-I Parcel #9, on line between corners 86 and 87 of Tract J-1-I;

Thence S 45° 30' E, common to the Heirs of Henry Applewhite A-58 and John C. McKibbin Surveys, a calculated distance of 22.81 chains to the point of beginning, containing **839.38** acres, be the same, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-II PARCEL #2
SAM HOUSTON NATIONAL FOREST
WALKER AND MONTGOMERY COUNTIES, TEXAS
1,356.70 ACRES**

All that certain tract or parcel of land lying and being in Walker and Montgomery Counties, Texas, embracing in whole or in part the following patented surveys: George W. Stramler, A-528, dated December 30, 1844; John F. Winters, A-602, dated January 3, 1845; and Lemuel Smith, A-500, dated November 13, 1851, and being a portion of Tract J-1-II identified as Parcel #2 for mineral leasing purposes only, containing **1,356.70** acres, more or less. Parent Tract J-1-II was acquired from Delta Land & Timber Company by deed dated December 27, 1935 and recorded in Volume 82, Page 176-215, Walker County Deed Records, and Volume 183, Page 509 et seq, Montgomery County Deed Records. Tract J-1-II Parcel #2 is further described as follows for mineral leasing purposes.

Beginning at corner 36 of Forest Service Tract J-1-II, common to the intersection of the George Stramler Survey, A-528 east boundary line and the Susan Vince Survey, A-50 south boundary line;

Thence S 00° 30' E, with the lands of USFS Tract J-2000a and common to the George W. Stramler Survey, 56.50 chains to corner 37 of Tract J-1-II, a stake witnessed by scribed bearing trees;

Thence two (2) lines, continuing with the lands of USFS Tract J-2000a and common to the Lemuel Smith Survey,

East, 39.90 chains to corner 38 of Tract J-1-II, a stake witnessed by scribed bearing trees;
N 00° 30' W, 5.20 chains to corner 39 of Tract J-1-II, a stake witnessed by scribed bearing trees;

Thence two (2) lines, continuing with the lands of USFS Tract J-2000a and common to the John F. Winters Survey:

S 89° 30' W, 37.60 chains to corner 40 of Tract J-1-II, a stake witnessed by scribed bearing trees;

N 00° 30' W, at 39.70 chains the right bank of West Sandy Creek. At 51.70 chains corner 41 of Tract J-1-II, a stake witnessed by scribed bearing trees;

Thence N 89° 30' E, 62.50 chains to corner 42 of Tract J-1-II, a F.S. standard concrete post marked J-60, the northeast corner of the Lemuel Smith Survey;

Thence S 00° 45' E, continuing with the boundary of Tract J-1-II, common to the Thomas Cresup, A-111 and Lemuel Smith Surveys, 169.50 chains to corner 43 of Tract J-1-II, the southeast corner of the Lemuel Smith Survey, a F.S. concrete post marked J-85;

Thence S 89° 30' W, with the boundary of Tract J-1-II, and the Lemuel Smith Survey, at 84.80 chains the Walker and Montgomery County line, at 85.00 chains a point for corner, same being the beginning (northwest) corner of the Thomas S. Foster Survey, A-720 (Walker) and A-738 (Montgomery), and also the fifth (most southerly NE) corner of the Washington County R.R. Co. Survey No. 15, A-644-Montgomery;

EXHIBIT S
Tract J-1-II Parcel #2
Description Page 2 of 2

Thence N 04° 57' 40" W, 41.60 chains to a point for corner, same being the most southerly southeast corner of the Charles Black Survey, A-78 Walker;

Thence with the most southerly east line of the said Charles Black Survey, North, 47.56 chains to a point for corner, same being the most southerly corner of said Black Survey;

Thence N 14° 59' 30" E, 83.40 chains to corner 36 of Tract J-1-II, the place of beginning, containing **1,356.70** acres of land, more or less, with 1,356.00 acres laying within Walker County and 0.70 acres laying within Montgomery County.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-85f
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
81.00 ACRES**

All that certain tract or parcel of land lying and being in Walker County, Texas on the waters of Boswell Creek, described as Exception No. 1 of USA Tract J-12 in the Warranty Deed from Gibbs Brothers & Company to the United States of America, dated 12/28/1935 and recorded in Volume 82, Page 131, et seq., Walker County Deed Records. Said Exception No. 1, now designated Tract J-85f was acquired from Kelvin G. Steely and wife, DeAnn M. Steely, by Exchange Deed dated 4/7/1997 and recorded in Volume 312, Page 856, et seq., Walker County Deed Records. Tract J-85f, containing **81.00** acres, lies entirely within the Benjamin F. Irvine Survey, A-294, dated September 4, 1850 and is further described as follows for mineral leasing purposes.

Beginning at corner 1 of Tract J-85f, on the southeasterly line of the Benjamin F. Irvine Survey and one northwesterly line of the William Lindley Survey, A-321, a Forest Service standard concrete post marked J-232, witnessed by old marked bearing trees;

Thence S 46° 30' W common to the Benjamin F. Irvine and William Lindley Surveys. At 31.85 chains a stake on the left bank of Boswell Creek witnessed by old marked bearing trees. At 32.00 chains corner 2 of Tract J-85f, a point in the center of Boswell Creek;

Thence in a general northwesterly direction, up and with the meanders of Boswell Creek, within the Benjamin F. Survey, 85.00 chains to corner 3 of Tract J-85f, on the northwesterly line of the Benjamin F. Irvine Survey and the southeasterly line of the Heirs of M. P. Kelley Survey, A-311, a point in the center of Boswell Creek. From this corner, corner 106 of FS Tract J-12, the beginning corner of the Benjamin F. Irvine Survey and the fifth corner of the Heirs of H. D. Ripley Survey, A- 488, bears S 46° 30' W, 29.80 chains distant;

Thence N 46° 30' E, common to the Benjamin F. Irvine and the Heirs of M. P. Kelley Surveys. At 0.15 chain a stake on the left bank of Boswell Creek, witnessed by old marked bearing trees. At 3.00 chains, corner 4 of Tract J-85f, a stake witnessed by old marked bearing trees;

Thence S 43° 15' E, within the Benjamin F. Irvine Survey, 56.60 chains to the place of beginning, containing **81.00** acres, be the same, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-644c
SAM HOUSTON NATIONAL FOREST
WALKER COUNTY, TEXAS
17.20 ACRES**

All that certain tract or parcel of land lying and being in Walker County, Texas, on the waters of Cobb Creek, a tributary of the East Fork of the San Jacinto River, embracing all of the U. P. Miller patented Survey, Abstract No. 646, dated October 22, 1881 and part of the Zina Hicks patented Survey, Abstract No. 291, dated October 10, 1873. Tract J-644c was acquired from J. G. Ashford Estate by deed dated February 4, 1939 and recorded in Volume 91, Page 233 et seq., Deed Records, Walker County, and contains **17.20** acres, more or less. Tract J-644c is further described as follows for mineral leasing purposes.

Beginning at corner 1 of Tract J-644c, common to corner 3 of Forest Service Tract J-12c, identical with the second corner of the U.P. Miller Survey, A-646, and the beginning corner of the Alexander M. Morgan Survey, A-416, and on the westerly line of the William Lindley Survey, A-322, a stake witnessed by marked bearing trees;

Thence S 02° 30' E, common to the U.P. Miller, Zina Hicks and William Lindley Surveys, 18.80 chains to corner 2 of Tract J-644c;

Thence S 48° 00' W, within the Zina Hicks Survey, 1.47 chains to corner 3 of Tract J-644c;

Thence two lines with Forest Service Tract J-12c:

N 38° 45' W, common to the Zina Hicks Survey, Sanders Groom Survey, A-213, and the U.P. Miller Survey, 25.20 chains to corner 4 of Tract J-644c, the third corner of the U.P. Miller Survey and the second corner of the Alexander M. Morgan Survey;

N 89° 45' E, common to the U.P. Miller and Alexander M. Morgan Surveys, 16.20 chains to the place of beginning, containing **17.20** acres, more or less.

KANSAS CITY DISTRICT
CORPS OF ENGINEERS RECOMMENDATIONS
ON OIL AND GAS LEASING

The following presents our recommendations on oil and gas leasing in the Kansas City District based on input received from the following elements: Missouri River Division-Real Estate Office, Tulsa District, Kansas Fish and Game Commission, Bureau of Land Management, U. S. Geological Survey, and K.C. D. Operations, Real Estate and Engineering Divisions:

All land and water areas at the lake projects will be made available for oil and gas leasing subject to the following conditions, restrictions and stipulations:

1. No drill related structures (rigs, collector lines, reserve pits, access roads, storage tanks, etc.) Will be allowed for placement:
 - a. within 2,000 feet of the dam or any other major structure,
 - b. within the boundaries of designated Corps, State or Local Government operated public use areas,
 - c. within areas leased or licensed to other federal or state agencies, cities, townships, or quasi-public groups for park, recreational or educational purposes,
 - d. below the lake's top of flood pool elevation, 1508' m.s.l., NGVD,
 - e. within an incorporated town, village or city limits,
 - f. within 2,640 feet of any unique ecological areas, such as eagle nesting sites.

Except for areas within 2,000 feet of the dam or other major structures, mineral removal from underneath these areas may be accomplished by directional drilling methods from adjacent authorized areas. All areas within 2,000 feet of any major structure, including, but not limited to the dam, spillway, or embankment are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations outside of the restricted areas, which would cause a borehole to be under the restricted areas, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming a part of a drilling unit so that the United States will share in the royalty of the unit.

- 2. All leases will be subject to conditions and stipulations stated in “Conditions to be Incorporated in Kansas City District Lake Project Oil and Gas Leases”, and “Surface Disturbance Stipulations”.**
- 3. Land and water areas included under fish and wildlife management license agreement with a State agency will be subject to an additional set of “Lease Stipulations for Wildlife Lands”.**
- 4. Results of any research and testing are reported to:
Department of the Army
Kansas City District, Corps of Engineers
700 Federal Building
600 East 12th Street
Kansas City, Missouri 64106-2896**
- 5. A Right of Entry (ROE) to the lessee will be required for any competitively leased tracts of lands from the U.S. Army Corps of Engineers.**

CONDITIONS TO BE INCORPORATED IN
KANSAS CITY DISTRICT LAKE PROJECT OIL AND GAS LEASES

- A. “That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of Kanopolis Lake.”
- B. “That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee, or for damages to the property or injuries to the person of the lessee’s officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of the, arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other Government activities; and the lessee shall hold the United States harmless from any and all such claims.”
- C. “That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and location for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises at any time to inspect both the installation and operational activities of the lessee.”
- D. “That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.”
- E. “That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.”
- F. “That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation and maintenance of the Government project, to place improvements thereon, and to remove materials therefrom, including sand, gravel, and other construction materials, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed by the Government at and in connection with the project, including work performed on lands outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in an amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.”

G. No drilling will be made below elevation 1508 m.s.l. NGVD, except directional drilling from available authorized areas above the elevation.

H. All ingress for gas and oil explorations in the Kanopolis Lake area will be coordinated with the Corps of Engineers, Kanopolis Lake, Project Manager and with the lessees under current agriculture and grazing leases.

I. All gas and oil wells drilled on the lake area will be protected to an elevation sufficiently above 1508 m.s.l., NGVD to prevent pollution of the lake.

J. CULTURAL AND PALEONTOLOGICAL RESOURCES - The federal surface management agency is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the authorized officer of the surface management agency, shall:

- 1. Engage the services of a qualified cultural resource specialist acceptable to the Federal surface management agency to conduct an intensive inventory for evidence of cultural resource values:**
- 2. Submit a report acceptable to the authorized officer of the surface management agency and the District Engineer, Geological Survey; and**
- 3. Implement mitigation measures required by the surface management agency to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing and salvage or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U. S. Government as appropriate.**

The lessee or operator shall immediately bring to the attention of the District Engineer, Geological Survey, or the authorized officer of the Federal surface management agency any cultural or paleontological resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by the District Engineer, Geological Survey.

K. ENDANGERED OR THREATENED SPECIES - The Federal surface management agency is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species listed or proposed for listing as endangered or threatened or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered species Act of 1973 by detrimentally affecting endangered or threatened or their habitats.

The lessee/operator may, unless notified by the authorized officer of the surface management agency that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resources specialist approved by the surface management agency. An acceptable report must be provided to the surface management agency identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

L. ESTHETICS - To maintain esthetic values, all surface-disturbing activities, semipermanent and permanent facilities may require special design including location, painting and camouflage to blend with the natural surroundings and meet the intent of the visual quality objectives of the Federal surface management agency.

M. EROSION CONTROL - Surface disturbing activities may be prohibited during muddy and/or wet soil periods. This limitation does not apply to operation and maintenance of producing wells using authorized roads.

ADDITIONAL STIPULATIONS:

- N.** all work, including roads, will be conducted on currently disturbed sites (i.e. crop fields)
- O.** Roads will be constructed to BLM specifications including alignment, ditches, crown and drainage.
- P.** Lessee will be responsible for any loss of production suffered by agricultural lessees impacted by drilling/production operations.

KANSAS DISTRICT
CORPS OF ENGINEERS
SURFACE DISTURBANCE STIPULATIONS

1. Notwithstanding any provisions of this lease to contrary, any drilling construction, or other operation on the leased lands that will disturb the surface thereof or otherwise affect the environment, hereinafter called "surface disturbing operation," conducted by lessee shall be subject, as set forth in this stipulations, to prior approval of such operation by the Area Oil and Gas supervisor in consultation with appropriate surface management agency and to such reasonable conditions, not inconsistent with the purposes for which this lease is issued, as the Supervisor may require to protect the surface of the leased lands and the environment.

2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance to the anticipated activity and surface disturbance to the District Engineer or Area Oil and Gas Supervisor, as appropriate, and will also furnish the appropriate surface management agency named above, with a copy of such map and explanation.

An environmental analysis will be made by the Geological Survey in consultation with the appropriate surface management agency for the purpose of assuring proper protection of the surface, the natural resources, the environment, existing improvements, and for assuring timely reclamation of disturbed lands.

3. Upon completion of said environmental analysis, the District Engineer or Area Oil and Gas Supervisor, as appropriate, shall notify lessee of the conditions, if any, to which the proposed surface disturbing operations will be subject.

Said conditions may relate to any of the following:

- (a) Location of drilling or other exploratory or developmental operations or the manner in which they are to be conducted;
- (b) Types of vehicles that may be used and areas in which they may be used;
and
- (c) Manner or location in which improvements such as roads, buildings, pipelines, or other improvements are to be constructed.

KANSAS CITY DISTRICT CORPS OF ENGINEERS
LEASE STIPULATIONS
WILDLIFE LANDS

TERMS As used herein:

1. the term “lessee” includes the lessee, heirs and assigns of the lessee and persons operating on behalf of the lessee;
2. the term “wildlife resources” include fish and wildlife resources and concentrations, fish and wildlife management operations and range improvements and facilities;
3. the term “authorized officer” means the Kansas City District Engineer or this authorized representative.

CONDITIONS

1. The lessee shall:

- a. prior to the beginning of operations, appoint and maintain at all times during the term of the lease a local agent upon whom may be served written orders or notices respecting matters contained in these stipulations and to inform the authorized officer in writing of the name and address of such agent. If a substitute agent is appointed, the lessee shall immediately inform the said representative;
- b. conduct all authorized activities in a manner satisfactory to the authorized officer with due regard for good land management and avoid damage to improvements, timber, crops, and wildlife cover; fill all sump holes, ditches, and other excavations or cover all debris; and, so far as reasonably possible, restore the surface of the leased lands to their former condition; and, when required, to bury all pipelines below plow depth. The authorized officer shall have the right to enter all the premises at any time to inspect both the installation and operational activities of the lessee;
- c. take such steps as may be necessary to prevent damages to wildlife;
- d. do all in his power to prevent and suppress forest, brush or grass fires, and to require his employees, contractors, subcontractors and employees of contractors and subcontractors to do likewise;
- e. install adequate blow-out prevention equipment;
- f. construct ring dikes and sump pits to confine drilling mud and other pollutants and make safe disposition of salt water by use of injections wells or such other method as may be approved in the plan of operation;

- g. cover flare pits in areas of wildlife concentration;**
- h. remove derricks, dikes, equipment, and structures not required in producing operations within 60 days after the completions of drilling;**
- i. comply with and see to it that his agents and employees comply with all Federal and State laws relating to hunting, fishing, and trapping;**
- j. commit the lease to any unit plan required in the interest of conservation of oil or gas resources or for the protection of wildlife;**
- k. prior to the conduct of geological, geophysical, or core drilling operations or construction of any facilities, or prior to operations to drill or produce, submit in triplicate for approval, in writing, by the authorized officer a plan of operation that will include detailed statements indicating the manner in which the lessee will comply with these stipulations together with a statement that the lessee agrees that compliance with these stipulations and with the approved plan of operations are conditions of performance under this lease and that failure to comply with these provisions will be grounds for cancellation of the lease by the United States. Notwithstanding other provisions in these stipulations, the lessee shall include in any plan of operation specific provisions relating to: the time, place, depth and strength of seismographic shots, maps showing the location of his leases included in the plan, actual and proposed access roads, bunkhouses, proposed well locations, storage and utility facilities, water storage, pipelines and pumping stations; the of safety equipment that will be employed; the methods to be used to assure the disposition of drilling mud, pollutants, and other debris; the location of facilities in relation to flood levels; and such other specific matters as the authorized officer may require. The plan of operation shall be kept current in all respects and all revisions and amendments submitted to the authorized officer for written approval;**
- 1. do all things reasonably necessary to prevent or reduce to the fullest extent scarring and erosion of the land, pollution of the water resources and any damage to the watershed. Where construction, operation, or maintenance of any of the facilities on or connected with this lease causes damage to the watershed or pollution of the water resource, the lessee agrees to repair such damage, including reseeding and to take such corrective measures to prevent further pollution or damage to the watershed as are deemed necessary by the authorized officer;**

m. agree to respect and comply with any new requirements imposed by the authorized officer on the operating program as operating experiences proves necessary in order to give complete protection to wildlife populations and wildlife habitat on the areas leased.

2. The lessee shall not:

a. construct roads, pipelines, utility lines, and attendant facilities that are either unnecessary or which might interfere with wildlife habitat or resources or with drainage;

b. modify or change the character of streams, lakes, ponds, water holes, seeps, and marshes, except by advance approval in writing by the authorized officer nor shall he in any way pollute such streams, lakes, ponds, water holes, seeps, or marshes;

c. conduct operations at such times as will interfere with wildlife concentrations;

d. conduct geological or geophysical explorations that might damage any wildlife resource and such operations shall be conducted only in accordance with advance approval, in writing, by the authorized officer as to the timely, manner of travel, and disturbances of surfaces and facilities required for the protection of wildlife;

e. use explosives in fish spawning or rearing areas, nesting areas, or other areas of wildlife concentrations during periods of intense activity or at any other time or in any manner that might damage any wildlife resources; the pattern, size, and depth of seismographic shots shall be submitted to the authorized officer for advance approval in writing and immediately following the detonation of any seismographic charge, the hole shall be filled or plugged and any surface damage repaired to the satisfaction of the authorized officer;

f. without advance approval, in writing, use any water or water source controlled or developed by the United States;

g. use mobile equipment under such conditions as to permanently damage surface resources, cause scarring and erosion, or interfere with wildlife concentrations;

h. conduct geological, or geophysical, or core drilling operations or construct roads, or any facilities or drill or produce under a lease until the submittal and approval in writing or a plan of operation pursuant to 1 (k) above, or deviate therefrom until any revisions or amendments of said plan have been approved in writing by the authorized officer;

i. burn rubbish, trash, or other inflammable materials or use explosives in a manner or at a time that would constitute a fire hazard.

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : District Ranger
Cimarron National Grasslands
At : 242 Hwy 56 East
PO Box 300
Elkhart, KS 67950
Telephone No. : (620) 697-4621

Who is the authorized representative of the Secretary of Agriculture.

LEASE NOTICE

CULTURAL AND PALEONTOLOGICAL RESOURCES - The FS is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the FS, shall:

1. Contact the FS to determine if a site specific cultural resource inventory is required. If a survey is required, then:
2. Engage the services of a cultural resource specialist acceptable to the FS to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the FS for review and approval at the time a surface disturbing plan of operation is submitted.
3. Implement mitigation measures required by the FS and BLM to preserve or avoid destruction of cultural resource values. Mitigation may include re-location or proposed facilities, testing, salvage, and recordation or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U. S. Government as appropriate.

The lessee or operator shall immediately bring to the attention of the FS and BLM any cultural or paleontological resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by FS and BLM.

ENDANGERED OR THREATENED SPECIES - The FS is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened Species or their habitats.

The lessee/operator may, unless notified by the FS that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resource specialist approved by the FS. An acceptable report must be provided to the FS identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints:

When necessary to meet visual quality objectives (VQOs), site clearings, collection facilities, structures, utilities and pipelines will be relocated more than 200 meters. At the time of APD, a visual site analysis will be completed to determine if vegetation, topography, and on-site controls are sufficient to mitigate visual impacts. If so, the site will be excepted, and relocation will not be required.

On the following described lands:

Lands with the following visual resource classification, FG1A, FG1B, and MG1A, that have retention identified as the quality objective. Federal and State Highways, nationally designated trails, major water features, recreation complexes, and high use Forest Service roads are examples. Visual Quality Maps are on file in the Supervisor's Office, Pueblo, Colorado.

For the purpose of:

- 1. Protecting the natural, cultural and historical scenic values of these areas.
The Santa Fe National Historic Trail intersects the parcel,
(Refer to Lease Map).**
- 2. Preventing the placement of collection facilities, well sites or exploration activity
within these areas that do not meet Visual Resource Management guidelines.**
- 3. Providing Forest and Grassland Visitors with quality experiences.**

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NO SURFACE OCCUPANCY STIPULATION
CULTURAL

**No surface occupancy or use is allowed on the lands described below:
(Refer to attached parcel map for affected areas within lease parcel)**

The Santa Fe National Historic Trail, to include ruts or rut zones or swales or vegetation changes designated as the major routes of the Trail and a 300 foot buffer area on each side of the Trail. The Trail (single or multiple ruts or swales) varies in width from approximately 50 feet to over 300 feet. Thus the total NSO zone may be 450 feet or more in width for some portions of the Trail. (The trail traverses the parcel for approximately 3000 feet. Approximately 41 acres or 26% of the parcel would be affected by the NSO stipulation.)

On the lands described below:

All Lands in Lease.

The locations of major routes of the Santa Fe National Historic Trail are available through the Cultural Resources Management records section maintained at the Forest Supervisor's Office in Pueblo. They include the major routes and branches of the Cimarron Cutoff on the Cimarron National Grassland.

For the purpose of:

Protecting the physical manifestations and immediate environment of the Trail, including inherent interpretive, educational and recreational values for the segment potentially impacted.

The following exceptions are noted:

1. Locate roads outside the designated trail routes and buffer unless:

(a) The trail has been destroyed by post-trail era use or erosion and is not visible as ruts, rut zones, or swales; and

(b) alternative routes have been reviewed and rejected as being more environmentally damaging.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2920, FS Oil and Gas Regulations, 36 CFR, Sec. 228.104.)

NO SURFACE OCCUPANCY
POOLING PURPOSES ONLY

No surface occupancy or use is allowed on the lease. The purpose of this lease is solely for participation in a unit or for pooling purposes.

LEASE NOTICE
POTENTIAL CAVE OR KARST OCCURRENCE AREA

All or portion of the lease are located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

Bureau of Land Management
Roswell/Carlsbad Field Office

SENM-LN-1
February 1991

POTASH STIPULATION

Stipulations to be made part of any oil and gas lease involving lands described in Secretarial Order, 51 Federal Register 39425 (October 28, 1986).

The lessee further agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.**
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.**
- (3) When it is determined by the Authorized Officer, that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.**
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.**

On the land(s) described below:

All lands in lease

**Bureau of Land Management
Carlsbad Field Office**

**SENM-S-1
Revised December 1996**

NO SURFACE USE STIPULATION

No surface occupancy or use is allowed on the lands described below:

All Lands in lease.

For the purpose of: Protecting designated Critical Habitat for the Federally listed threatened and endangered Bluntnose Shiner species (CRA SMA No. 8) as discussed in the Carlsbad Resource Management Plan.

If circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable Land Use Plan, or if not consistent, through a planning amendment. If the authorized officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.

SLOPES OR FRAGILE SOILS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed on slopes over 30 percent. Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case basis.

On the lands described below:

All lands in lease

For the purpose of: Protecting Slopes or Fragile Soils

STREAMS, RIVERS, AND FLOODPLAINS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

--Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

--Suitable off-site mitigation if habitat loss has been identified.

--An approved plan of operations ensures the protection of water or soil resources, or both.

--Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

PLAYAS AND ALKALI LAKES

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of PLAYAS of Alkali Lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if Playa lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement. Mitigation could include: installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting plays basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

On the lands described below:

For the purpose of: Protecting Playas and Alkali Lakes

SPRINGS, SEEPS AND TANKS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of the source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of: **Protecting Springs, Seeps and Tanks**

CAVES AND KARST

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of: Protecting Caves and Karst Features

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m.. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these requirements will be considered for areas of no or low prairie chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of: Protecting Prairie Chickens

VISUAL RESOURCE MANAGEMENT

Surface occupancy or use is subject to the following special operating constraints:

Painting of oil field equipment and structures to minimize visual impacts will be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required ,when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform with the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the ten standard environmental colors approved by the Rocky Mountain Coordinating committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area.

For the purpose of: Protecting Visual Resources Management

VISUAL RESOURCE MANAGEMENT

Surface occupancy or use is subject to the following special operating constraints:

Painting of oil field equipment and structures to minimize visual impacts will be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required ,when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform with the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the ten standard environmental colors approved by the Rocky Mountain Coordinating committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area.

For the purpose of: Protecting Visual Resources Management

LEASE NOTICE
THREATENED AND ENDANGERED SPECIES

According to preliminary information all or portions of this lease area could contain Federal and/or State-listed threatened or endangered species and/or their habitats. Any proposed surface disturbing activity may require an inventory and consultation with the U.S. Fish and Wildlife Service and/or the State Wildlife agency. The consultation could take up to 180 days to complete. Surface occupancy could be restricted or not allowed as a result of the consultation. Appropriate modifications of the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

Bureau of Land Management
(LN-1)
Oklahoma Field Office

1991

ORA
November

FLOODPLAIN PROTECTION STIPULATION
CONTROLLED SURFACE USE

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without specific approval, in writing, of the Bureau of Land Management.

For the following described land(s):

All lands in lease

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**Bureau of Land Management
Oklahoma Field Office**

**ORA-1
November 1991**

WETLAND/RIPARIAN STIPULATION
CONTROLLED SURFACE USE

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

For the following described land(s):

All lands in lease

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

SEASON OF USE STIPULATION

Surface occupancy of this lease will not be allowed from February 15 to May 15, as well as all applicable hunting seasons without the specific approval, in writing, from the authorized officer of the Bureau of Land Management. This stipulation does not apply to operation and maintenance of production facilities.

One the land(s) described below:

All lands in lease

For the Purpose of: Wildlife seasonal use requirements or recreation use conflicts with drilling activities.

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Bureau of Land Management
3
Oklahoma Field Office
1991

ORA-
November

LEASE NOTICE
COAL PROTECTION

Federal coal resources exist on this lease. Operations authorized by this lease may be altered or modified by the authorized officer (at the address shown below) in order to conserve and protect the mineral resources and provide for simultaneous operations.

Address:

**Tulsa Field Office
7906 E. 33Rd Street, Suite 101
Tulsa, OK 74145
(918) 621-4100**

**Bureau of Land Management
New Mexico State Office**

**NM-8
April 2, 1991**

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : Forest Supervisor
National Forests in Texas
At : 701 North First Street
Lufkin, TX 75901
Telephone No : (936) 639-8501

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Portions of this lease contain streamside management zones (flood plains, wetlands). As a minimum, these areas are established within the 100 year flood plain of all intermittent streams and perennial streams, and 100 feet from the normal pool level contour of lakes. Site- specific proposals for surface-disturbing activities (such as pipelines and seismic surveys) within these areas will be analyzed and will normally result in establishment of protective requirements or limitations for the affected site. Surface occupancy for oil and gas wells will not be allowed within the streamside management zone. (MA-4-63)

On the lands described below:

All Lands in Lease.

For the purpose of: To meet visual quality objectives and protect stream side management zones in accordance with the National forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraint.

Lone Star Hiking Trail. Proposals for drilling sites located 150 feet or less from the trail may be subject to special requirements or limitations, such to be determined on a case-by-case basis.

Trail may be crossed by vehicles but may not be used as a travel way. Vehicles may not parallel the trail closer than 25 feet. When crossing the trail with vehicles any brush pushed into the trail must be totally removed from the trail. Shot holes will be placed no closer than 25 feet from the trail's edge to meet public safety requirements. If necessary, the shot holes may be required to be located farther than 25 feet from the trail. (FW-158)

On the lands described below:

All Lands in Lease.

For the purpose of: To protect the trail and meet visual quality objectives as per National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Areas within the bottom land associated with the East Fork of the San Jacinto River may be subject to special requirements or limitations, such to be determined on a case by case basis. Drilling and production facilities will be located at least 100 feet from the river.
(MA-8b-62)(MA-8b-63)

On the lands described below:

All Lands in Lease.

For the purpose of: To meet visual quality objectives and protect rivers and associated bottom land areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Portions of this lease may contain large (greater than 40 acres) areas identified under the Texas Natural Heritage Program's Sensitive Plant and Natural Community Inventory. These areas may contain bogs and seeps or sensitive plants and plant communities. Site-specific proposals for surface-disturbing activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements, limitations for the affected site, or possibly require relocation of the activities.

On the lands described below:

All Lands in Lease.

For the purpose of:

To meet requirements of the National Forest Management Act of 1976 and regulation, 36 CFR 219.26. Also to protect and promote sustainable populations of unique plants or plant communities as per the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Portions of the land in this lease are, or may be, occupied by clusters of the endangered red-cockaded woodpecker. Exploration and development proposals may be modified and/or limited, including no surface occupancy, within ¼ mile of an active red-cockaded woodpecker cluster. In addition, if foraging habitat is limited, no surface occupancy may occur within ½ mile of an active red-cockaded woodpecker cluster. Upon receipt of a site-specific proposal, the Forest Service will provide current inventory records of cluster locations any may require that localized surveys be performed to assure no uninventoried clustered are present. (MA-2-80-4.6)

On the lands described below:

All Lands in Lease.

For the purpose of:

To protect red-cockaded woodpecker clusters foraging and habitat areas in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NO SURFACE OCCUPANCY STIPULATION #2A
NATIONAL GRASSLANDS IN TEXAS

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

The areas listed below, except hand-laying of electronic gear or apparatus could be further considered. Vehicle traffic may be restricted in this area. Seismic work requiring use of explosives will not be allowed.

For the purpose of:

To meet visual quality objectives and to protect scenic area and recreation values in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance, on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NO SURFACE OCCUPANCY STIPULATION #2B
NATIONAL FORESTS IN TEXAS

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description.)

Areas along lakeshore where visual resources would be severely impacted by drilling facilities.

For the purpose of:

To meet visual quality objectives and to protect lakeshore areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

TIMING LIMITATION STIPULATION #1B
NATIONAL FORESTS AND GRASSLANDS IN TEXAS

Surface use may be deferred during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Part or all of this lease is within one (1) mile of a bald eagle nesting site. During nesting periods seismic exploration, new clearing of vegetation, and exploratory drilling or any other site-specific proposals for activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements or limitations for the affected site and activities may be restricted if, in the opinion of the responsible agency biologist, restrictions are necessary to assure nesting success. (FW-221)

Approximately October 1 through May 15 per year

On the lands described below:

All Lands in Lease.

For the purpose of (reasons):

To avoid disturbance of actual or probable bald eagle nesting locations in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulations, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

FS8(TX)(LN#3B)

LEASE NOTICE
NATIONAL FORESTS IN TEXAS

The old Yellow Pine Work Center lies within Tract S-2k-I Parcel I.

**LEASE NOTICE #6
NATIONAL FORESTS IN TEXAS**

A recreation cabin lies within Tract J-85f.

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