

RECORDED the 25 day of August, 1961, at 10:00 O'Clock P. M.
By: [Signature] County Clerk

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 22nd day of August, 1961, by and between Fritz W. Warncke and Emma Warncke of Guadalupe County, Texas hereinafter called lessor (whether one or more) and Glenwood Warncke hereinafter called lessee.

WITNESSETH That the said lessor, for and in consideration of the sum of Ten & No/100 DOLLARS cash to him paid by which is hereby acknowledged, and of the covenants and agreements contained in the part of lease to be paid, kept and performed, has granted, conveyed, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care

of said produce, all that certain tract of land situated in the County of Guadalupe State of Texas, described as follows, Seventy one and 62/100 (71.62) acres of land out of the Bingham White Original Survey, and the same tract conveyed to Edw. Tewes by C.C. Woodward, same beginning at the N.E. corner of Louis Peck's homestead tract; THENCE N. 60 deg. E. 760 varas to the NW corner of the T.G. Maddox homestead tract; THENCE S. 30° E. 485 to a stone set in the center of the Seguin & LaVerina road from which a post oak 15 in. dia. hrs. S. 23 E. 7 vs; THENCE S. 60 W. and running in the center of said road 5th. st. 218 varas to a stone set in center of said road from which a post oak 19" in dia. hrs. S. 33 E. 4 vs.; THENCE on a straight line S. 60 W. 290 vs. to a stake or stone set for S.W. corner of this tract; THENCE N. 30 W. 605 vs. with Louis Peck's NE boundary line to the place of beginning, containing 71.62 acres, more or less. LESS AND EXCEPT, HOWEVER, 160,000 square feet of land in the form of a square with an existing oil well located in the center and being the same land described in a release from E.W. Dempster to F. W. Warncke, et al, dated July 1, 1961.

and containing 71.62 acres, more or less.
It is agreed that this lease shall remain in force for a term of ONE (1) years from date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees
1st. To deliver to the owner of the land, free of cost, in the pipe line to which lease may connect his well, the equal one-eighth part of all oil produced and saved from the leased premises.
2nd. To pay to lessee, as royalty for gas from each well where gas only is found, while the same is being sold or used off of the premises, one-eighth of the market price at the well of the amount as sold or used, the lessee to have gas free of charge from any gas well on the leased premises for all stores and tanks kept in the principal dwelling house on said land by making lessee's own connection with the well at lessee's own risk and expense.
3rd. To pay to lessee as royalty for gas produced from any oil well and used by lessee for the manufacture of gasoline one-eighth of the market value of such gas. If such gas is used by lessee, then lessee agrees to pay lessee, as royalty, one-eighth of the market price at the well of the amount sold.
If no well be commenced on said land on or before the 22nd day of October, 1961, this lease shall terminate as to both parties.

It is the intention of the parties that this lease shall remain in force for a term of ONE (1) years from the date of this lease, oil or gas is not being produced on the leased premises, but lessee is then engaged in drilling for oil or gas, then this lease shall continue in force so long as drilling operations are being continuously prosecuted on the leased premises, and drilling operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for drilling of a subsequent well. If oil or gas shall be discovered and produced in paying quantities from any such well or wells drilled or being drilled at or after the lapse of ONE year, this lease shall continue in force so long as oil or gas shall be produced from the leased premises.

It is hereby agreed that if oil or gas is produced from said premises and production shall for any reason cease or terminate, lessee shall have the right at any time within ninety (90) days from the cessation of such production to resume drilling operations in the effort to make said leased premises again produce oil or gas, in which event this lease shall remain in force so long as such operations are continuously prosecuted, as defined in the preceding paragraph, and if they result in production of oil or gas, so long thereafter as oil or gas is produced in paying quantities from the premises.

If said lessee purveys a new interest in the above described land, then the entire undivided fee simple estate therein, then the royalties and rentals hereon shall be paid to the said lessor only in proportion which lessee's interest bears to the whole and undivided fee simple estate.
Lessee shall have the right to use, dig, cut, gas, oil and water produced on said land for all operations thereon, except those water wells of lessee. When requested by lessee, lessee shall bury its pipe line below plow depth. No well shall be drilled nearer than 100 feet to the house or barn now on said premises without the written consent of the lessor. Lessee shall pay for damages caused by all operations in growing crops as said land.
Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party herein is assigned, and the privilege of assigning is waived in its part is expressly allowed, the covenants hereon shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of interests or royalties shall be binding on the lessor until the lessee has been furnished with a written transfer or assignment or a true copy thereof, and it is hereby agreed that the event this lease shall be assigned as to a part or part of the above described land, and the assignee or assignees of such part or parts shall hold or make default in the payment of the proportionate part of the rent from time to time, such default shall not operate to deprive or affect this lease in so far as it covers a part or part of said land upon which the said lessee or any assignee thereof shall make due payment of said rent.
Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, piping stations and plants for the purpose of picking up and conveying the waste oil that flows down the roads, ravines and across the land embraced in this lease, whether said oil is produced from lands covered by this lease or from lands and leases that be entitled to receive the equally proportionate part of all such oil or gravel.

In case of cessation or termination of this lease for any cause, lessee shall have the right to retain under the terms hereof twenty (20) acre of land around each oil or gas well producing, being worked on, or drilling hereunder (so long as such operations are conducted in good faith) such tract to be relinquished by lessee in its case a written lease as provided.
In the event lessee abandons the lease hereon, or ceases to comply with all its obligations hereunder, both expressed and implied, before production has been initiated or other production has been resumed, lessee shall notify lessee in writing, setting out specifically in what respects lessee has breached this agreement. Lessee shall then have sixty (60) days after receipt of said notice within which to make good or otherwise to meet all its obligations hereunder, and if it fails to do so, it shall be deemed to have abandoned the lease, and the lessee shall have the right at any time to be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any act by lessee shall be deemed to meet all or any of the above breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder.

Title to minerals vested in ground under this tract shall go and revert to grantor and heirs if a complete, absolute and irrevocable abandonment by grantor of such and all of the premises, expressed or implied, of the grant and every part and parcel of the premises described in this lease, and lessee hereby waives any claim to defend the land hereby described and agrees that the lease shall have the effect at any time to which it is subject, for lease, by payment, any operation, lease or other lease on the above described land, in the event of default of payment by lessee, and be assigned to the benefit of the holder thereof, and lessee hereby agrees that any such payment made by the lessee for the lessor shall be deducted from any amount of money which may become due the lessor under the terms of this lease.

In testimony Whereof, We Sign, this 22nd day of August, 1961.
Fritz W. Warncke
Emma Warncke

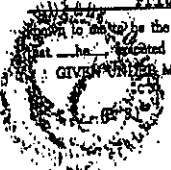
Permanent address of Lessee: _____
City _____ State _____ County _____

THE STATE OF TEXAS,
COUNTY OF GUADALUPE.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared
Fritz W. Warricke and Emma Warricke, a Tena's sole

whom I know to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me
that he executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 27 day of August A. D. 19 61



H. G. MUELLER,
Notary Public in and for Guadalupe County, Texas.

H. G. Mueller
Notary Public in and for Guadalupe County, Texas.

NO. <u>2661</u>	TO	FROM	DATE	TIME	PLACED FOR RECORD ON THE	DAY OF	YEAR	AT	BY	WHICH RECORDED RETURN TO
		<u>Fritz W. Warricke, et al.</u>	<u>19</u>		<u>SEP 12 1961</u>	<u>19</u>		<u>4:05</u>	<u>P. M.</u>	<u>Frank Schmidt</u>
		<u>Elmerwood Warricke</u>								<u>County Clerk</u>
										<u>Guadalupe</u>
										<u>County, Texas</u>

RECORDED the 20 day of Sept A.D. 1961, at 11:30 O'Clock P.
FRANK SCHMIDT, County Clerk By: H. G. Mueller Deputy

WARRANTY DEED

THE STATE OF TEXAS,
COUNTY OF GUADALUPE.

That I, ELLIS A. FRIESEN, d/b/a F. & R. OIL Company of Harris County, Texas, for and in consideration of the sum of One Thousand and No/100 (\$1,000.00) DOLLARS, and other good and valuable consideration to me in hand paid by H. WARD DAWSON, JR., the receipt of which is hereby acknowledged and confessed, have Bargained, Sold, and Conveyed, and by these presents does Bargain, Sell and Convey unto the said H. WARD DAWSON, JR., his heirs and assigns, the right and privilege of building and erecting upon five (5) acres of land a salt water pit and/or storage pit to be used in connection with the drilling and production operations of the said H. Ward Dawson, Jr.; such five (5) acres of land shall be located upon a 165 acre tract of land, known as the "Old George Smith Tract", and being out of the Jas. Hodges Survey, Abstract No. 148, in Guadalupe County, Texas; upon such five (5) acres the said H. Ward Dawson, Jr. shall be allowed to construct said salt water storage pit, all necessary drainage ditches from the well to the pit, and any and all ditches that may be necessary from the ditch to any part of the said property which may be in, upon or across the said property of the said grantor herein; and the said H. Ward Dawson, Jr. shall have the right and privilege, together with his agents, servants and employees of coming in and upon said property to make repairs, maintenance, and to do those things necessary for the successful operation of said pit and ditches; and the said H. Ward Dawson, Jr. shall at