

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 17th day of December, 2009, between The Walter and Alvina Droeemer 1983 Trust, Lessor, (whether one or more), whose address is P.O. Box 570, Giddings, TX 78942 and Jim Burgin & Associates, Inc., P. O. Box 395, Fulshear, Texas, 77441, Lessee,

WITNESSETH:

1. Lessor, in consideration of Ten Dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, leave and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land" is located in the County of Bastrop, State of Texas, and is described as follows:

806.3596 acres of land, more or less, located in the James Burleson League, A-17 and the George W. Whitesides League, A- 69, Bastrop County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 806.3596 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of Three (3) years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 1/8th part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 1/8th part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 1/8th of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 1/8th of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee on said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 1/8th of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

Depository Bank: Pay directly to Lessor at above address.

Mailing Address: _____

, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the continuing and recurring right, but not the obligation, to pool or utilize the land covered by this lease, or any part or interest therein, with any other lands, leases or interests, as to any or all minerals, depths or horizons, either before or after the commencement of operations, whenever Lessee deems it's necessary or proper to do so in order to explore, develop or operate said lease, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal drainhole well shall not exceed 80 surface acres plus a maximum acreage tolerance of 10%, and for an oil well that is a horizontal drainhole well or a gas well shall not exceed 640 surface acres plus a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not drilled as a horizontal drainhole well, as permitted by the rules or regulations of any governmental authority with jurisdiction over such matters. The terms "oil well", "gas well" and "horizontal drainhole well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority with jurisdiction over such matters. Lessee may pool or combine land covered by this lease or any portion thereof as above provided as to oil and gas, or either of them, in any one or more stratum or strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of Lessee to pool this lease or portions thereof into other units. Lessee shall exercise said option to pool as to each desired unit by executing an instrument

identifying such unit and filing it for record in the appropriate records of the county in which all or part of such unit is situated. The effective date of pooling shall be the date of filing unless provided otherwise in such pooling declaration, and said unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit, or whether there may be mineral, royalty or leasehold interests in lands within the unit which are not effectively pooled or unitized. Operations conducted on any part of such unit, regardless of whether such operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be deemed for all purposes (except the payment of royalties on production from the pooled unit) as operations conducted on said land under this lease and references herein to operations on said lands or on the leased premises shall be deemed to include operations on any portion of such pooled unit. For the purpose of computing royalties and other payments out of production, there shall be allocated to the land covered by this lease and included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalties, overriding royalties and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. Any unit formed hereunder may be revised, increased or decreased in size or changed in configuration by Lessee, at its sole option, without the joinder of Lessor, at any time and from time to time after the original designation thereof in order to conform to the rules or regulations of any governmental authority having jurisdiction, or when to do so would, in the judgment of Lessee, promote the conservation of minerals in and under and that may be produced from said land or permit the drilling of an additional well or wells. In making such a revision, Lessee shall file in the records where the original unit designation is recorded a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of said land is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may dissolve any unit formed hereunder by filing a written declaration to that effect, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interest in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there is production in paying quantities thereon unless all pooled leases are released as to lands within the unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease, but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. The inclusion of Lessors' interest in any separate tract within this lease shall not constitute an offer on the part of Lessor to any party who may now or hereafter have an ownership interest in the minerals or royalties in such separate tract to pool, unitize or communitize any such interest with other interests covered by this lease. Any attempt by an owner of any mineral or royalty interest under a separate tract to ratify, adopt or confirm this lease, or any provision herein contained, by any means and thereby effect a pooling, unitization or communitization of royalties among such separate tracts shall by such actions specifically ratify, adopt and confirm the entire contents of this paragraph and such attempt to effect a pooling, unitization or communitization between any separate tracts shall be wholly ineffective. As used herein, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respect Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall 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 acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
11. If, while this lease is in force, or, after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase before or at the expiration date of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, conveyed by the offer at the price and according to the terms and conditions specified in the offer.

PLEASE SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF
IN WITNESS WHEREOF, this instrument is executed on the date first above written

ADDENDUM

Made a part of Oil, Gas and Mineral Lease dated December 17th, 2009, by and between, The Walter and Alvina Droemer 1983 Trust, as Lessor, and Jim Burgin & Associates, Inc., as Lessee, covering lands in Bastrop County, Texas.

These typewritten provisions shall supersede and govern the provisions in the printed text of this lease wherever such printed form is in conflict and shall inure to the benefit of, and be binding on the parties hereto and their respective heirs, representatives, successors or assigns.

13. Notwithstanding anything herein to the contrary, it is understood and agreed that in the event Lessee exercises its right to pool as provided in paragraph 4 hereof and less than the full amount of acreage covered by this lease is placed in any such unit(s), then production, drilling, or reworking operations on any such unit(s) in which such acreage is pooled shall be treated as production, drilling or reworking operations only on the acreage covered by this lease and placed in such unit(s) and shall not be considered as production, drilling or reworking operations on any acreage covered by this lease and not placed in said unit. This lease, during any period in which it is being so maintained as to part of the land covered hereby, may be maintained as to the remainder not so pooled, by production, commencement of operations for drilling or reworking operation thereon, or, during the primary term, by the payment of delay rentals provided herein, except that, if maintained by rental payments, the amount of rentals may be reduced in proportion to the number of acres in such unit or units as to which this lease is being maintained by unit production, drilling or reworking operations.

14. Notwithstanding anything herein contained to the contrary, Lessee shall have the right, but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interest, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interest. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 40 acres plus a maximum tolerance of ten percent (10%); and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of ten percent (10%); provided that a larger unit may be formed for an oil or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having the jurisdiction to do so. For the purposes herein, the term "Horizontal Completion" will be defined the same as in the Texas Railroad commission RULE 86 "HORIZONTAL DRAINHOLE WELL" (i.e. as "any well that is developed with one or more horizontal drainholes having a horizontal displacement of at least one hundred feet). Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before well spacing or density pattern prescribed or permitted by governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority.

Pooling Provision for Tracts One through Five (said "726.3596 acres") Notwithstanding anything contained herein to the contrary, or in absence of any written agreement between Lessor and Lessee, in the event that Lessee finds it necessary or expedient to pool or combine said 726.3596 acres (for the production of oil and/or gas) with other land or leases, in order to form a pooled unit in accordance with the provisions of Paragraph 4 herein, then as to the first such unit formed, Lessee agrees that it will place a minimum of Fifty percent (50%) of said 726.3596 acres in such pooled unit, provided, however, that a unit meeting this requirement can be formed in compliance with the rules and regulations of the Railroad Commission of Texas, of other lawful authority.

Pooling Provision for Tracts Six and Seven (said "80.00 acres") Notwithstanding anything contained herein to the contrary, or in absence of any written agreement between Lessor and Lessee, in the event that Lessee finds it necessary or expedient to pool or combine said 80.00 acres (for the production of oil and/or gas) with other land or leases, in order to form a pooled unit in accordance with the provisions of Paragraph 4 herein, then as to the first such unit formed, Lessee agrees that it will place a minimum of One Hundred percent (100%) of said 80.00 acres in such pooled unit, provided, however, that a unit meeting this requirement can be formed in compliance with the rules and regulations of the Railroad Commission of Texas, of other lawful authority.

15. It is further agreed and understood, that in the event Lessee should conduct operations for drilling, or related operations, on any part of the leased premises, then in such event, Lessee shall pay Lessor for all damages to crops, grassland, timber, fences, buildings or other structures, water wells or for damages to any other improvements on the leased premises which are caused by Lessee in the course of Lessee's operations on the leased premises. Furthermore after the cessation of operations, Lessee agrees to restore the leased premises to the condition found, as nearly as practical.

16. Prior to conducting any surface operations on the leased premises, Lessee shall first consult with Lessor and outline the operations that Lessee proposes to conduct. Locations for roads, pipelines, equipment and facilities placed on the leased premises should be in consultation with Lessor and be placed on the land in such a manner as

to cause a minimum amount of interference with the normal use of the land and any lease roads built by Lessee shall be surfaced with gravel and have culverts where necessary so as not to interfere with the natural drainage of the land. Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operations, even though Lessor maintains gates that could be used.

17. Lessee shall begin royalty payments to Lessor within ninety (90) days of first production and shall continue royalty payments each month thereafter so long as production continues. Royalty payments shall be made directly from first producer to Lessor. Past due royalty shall earn interest at the rate of eight percent (8%) per annum.

18. It is agreed that the first assignment of this lease may be assigned to Clayton Williams Energy, Inc. without the prior approval of Lessor; however, any future assignment or assignments by Clayton Williams Energy, Inc. of its right, title and interest in the leasehold interest in the herein leased premises, Lessee shall obtain Lessor's written consent, provided, however, Lessor covenants and agrees not to arbitrarily or unreasonably withhold said consent.

19. Anything herein to the contrary notwithstanding, it is understood and agreed that at the expiration of two (2) years from the date of expiration of the primary term of this lease, Lessee shall hold only the wells then producing and such acreage as it allotted to each of such wells, and Lessee's interest in and to all other acreage covered by this lease shall terminate. After the expiration of the above and should the production from any acreage allotted to any producing well cease for a period of more than 120 days, said allotted acreage covered by this lease shall also terminate. Upon expiration or termination of any leased acreage, Lessee shall issue a release of such acreage to Lessor.

20. There shall be no hunting or fishing allowed on the leased premises, nor shall any firearms be brought on the leased premises by the Lessee or his assigns, or by any employee, agent, contractor or representative of the Lessee or Lessee's assigns without the prior written consent of Lessor.

21. Lessee agrees to use reasonable care in its operations on the leased premises, and within a reasonable period of time after the completion of any drilling operations on the leased premises, Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as reasonably practicable, and shall pay Lessor in full for all actual damages to crops, livestock, land or improvements situated on the leased premises caused by Lessee's operations. Upon written request by Lessor, Lessee shall bury pipelines and flowlines below ordinary plow depth.

Lessee agrees and obligates itself to conduct its operations upon the leased premises as a reasonable and prudent operator. Lessee, its successors and/or assigns shall fill and level all pits and/or excavations made by it or them in connection with operations hereunder after termination of use thereof and shall construct and maintain fences surrounding such pits and/or excavations to turn livestock until such time as said pits and/or excavations are leveled. Lessee, its successors and/or assigns shall pay for all actual damage done or caused by Lessee, its successors and/or assigns in its operation hereunder to any buildings, fences, road, culverts, merchantable timber, growing crops, or any other improvements on said land, or to livestock on said land. Also, it is expressly agreed and provided that if any salt water or other deleterious substances shall come from or in any manner be extracted or produced from any well as the result of any drilling operations hereunder, Lessee, its successors and/or assigns shall not permit same to flow on and over Lessor's land, but shall confine same in pits or excavations adjacent to the drilling site. Lessee, its successors and/or assigns shall construct and maintain gates and/or cattle guards wherever Lessee enters said premises, so constructed as to turn livestock from the drilling site. Lessee, its successors and/or assigns shall bury all subsurface pipelines below plow depth.

Lessee agrees and obligates itself to conduct its operations upon the leased premises as a reasonable and prudent operator and in such a way as to cause a minimum of damage to the land and improvements thereon, including fences; and that should it become necessary to make any opening in the fences, Lessee will properly brace the fence on each side of the opening to prevent slackening of the wires and shall place substantial metal gates and cattle guards in such openings. Said gates and cattle guards shall be installed before drilling operations commence and said gates and cattle guards shall remain on said property unless otherwise directed by Lessors. Lessee agrees that within one hundred twenty (120) days after any operation hereunder, Lessee shall repair the damaged land to the fullest practical extent, including the filling and leveling of all holes, pits, ruts, roads or excavations in the areas no longer to be used by Lessee; and upon termination hereof, to fully repair all damaged land not already repaired to the end that the land will be rendered to substantially the same condition as it was prior to commencement of such operations. Lessee shall pay for all actual injury or damage done or caused by Lessee in its operations hereunder to any buildings, fences, roads, roadway easements, culverts, merchantable timber, growing crops or other improvements on said land or to livestock on said land which is not replaced or repaired by Lessee according to the terms of this Lease.

22. It is understood and agreed that wherever the fraction "one-eighth" (1/8th) appears herein, it is hereby changed to read "ONE-FIFTH" (1/5th).

EXHIBIT "A"

MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED DECEMBER 17th, 2009 BY AND BETWEEN THE WALTER AND ALVINA DROEMER 1983 TRUST AS LESSOR AND JIM BURGIN & ASSOCIATES, INC, AS LESSEE.

806.3596 acres of land, more or less, located in the James Burleson League, A-17 and the George W. Whitesides League, A- 69, Bastrop County, Texas and being more fully described in the following SEVEN TRACTS of land to wit:

Tract One: 220.7692 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, Texas and being more fully described in that certain Deed dated March 28, 1953 from August Menzel and wife, Marie Menzel, to Walter Droemer, recorded in Volume 136 at Page 569 of the Deed Records of Bastrop County, Texas.

Tract Two: 203.4444 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, Texas and being more fully described in that certain Deed dated August 14, 1954 from Ludwig Menzel and wife, Ruth Menzel, to Walter Droemer, recorded in Volume 140 at Page 78 of the Deed Records of Bastrop County, Texas.

Tract Three: 259.80 acres of land, more or less, out of the James Burleson League, A-17 and the George W. Whitesides League, A- 69, Bastrop County, Texas and being more fully described in that certain Deed dated January 21, 1960 from Lena Paulick, et al, to Walter Droemer and wife, Alvina Droemer, recorded in Volume 151 at Page 300 of the Deed Records of Bastrop County, Texas.

Tract Four: 37.276 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated April 15, 1967 from Martin Bohot and wife, Ella Bohot, to Walter Droemer, recorded in Volume 180 at Page 218 of the Deed Records of Bastrop County, Texas.

Tract Five: 5.07 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated July 9, 1990 from Norbert T. Groeschel and wife, Elvira Groeschel, to The Walter And Alvina Droemer 1983 Trust, recorded in Volume 576 at Page 737 of the Official Records of Bastrop County, Texas.

Tract Six: 20.00 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated February 18th, 1965, from Isabella Green et al, to Walter Droemer, recorded in Volume 168 at Page 671, of the Deed Records of Bastrop County, Texas.

Tract Seven: 60.00 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described as 40.00 acres (First Tract) and 20.00 acres (Second Tract) in that certain Deed dated April 8th, 1965, from Bertha Garnett Johnson, et al, to Walter Droemer, recorded in Volume 169 at Page 551, of the Deed Records of Bastrop County, Texas.

SAVE AND EXCEPT THE FOLLOWING: All depths and horizons from the surface of the earth down to and including 7,910 feet below the surface of the earth in and to the following Two Tracts of land to wit:

First Tract: 80.00 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, TX, and being that certain 80.00 acres of land around the Seay Oil & Gas, Ltd: Droemer "A" No. 1A Well; and being known as the Texas Railroad Commission API # 42-021-30976.

Second Tract: 80.00 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, TX, and being all that certain 80.00 acres of land around the Tex-Lee Operating Company, W.C. Droemer No. 1 Well, and being known as the Texas Railroad Commission API # 42-021-30937.


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MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS

COUNTY OF BASTROP

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, The Walter and Alvina Droemer 1983 Trust, whose address is P.O. Box 579, Giddings, TX 78942, hereinafter called "Lessor", did enter into and deliver unto Jim Burgin & Associates, Inc., whose address is P. O. Box 395 Fulshear, Texas 77441, hereinafter called "Lessee" that certain Oil and Gas Lease, dated December 17th, 2009 covering 806.3596 acres of land, more or less, in Bastrop County, Texas, said lands being more fully described as follows, to-wit:

806.3596 acres of land, more or less, located in the James Durlson League, A-17 and the George W. Whitesides League, A- 69, Bastrop County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

The abovementioned Oil and Gas Lease provides for a Three (3) year primary term with an option to extend the primary term for an additional Two (2) years, and is subject to all other terms and provisions set forth in said Oil and Gas Lease. A copy of said Oil and Gas Lease is in the possession of the Lessor and Lessee, named herein.

This Memorandum of Oil and Gas Lease shall not be deemed to enlarge, reduce, restrict or change the rights of any of the parties to the Lease, but is for the purpose of giving record notice of the existence of the Lease in lieu of recording it at length. In the event any of conflict, the terms and provisions in the Lease shall control and prevail over the terms and provisions of the Memorandum of Oil and Gas Lease.

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

The Walter and Alvina Droemer 1983 Trust

 By: Bernard W. Droemer
 Bernard W. Droemer, Successor Trustee

STATE OF TEXAS §

 COUNTY OF Lee §

This instrument was acknowledged before me on the 24th day of December 2009, by Bernard W. Droemer, Successor Trustee of The Walter and Alvina Droemer 1983 Trust.

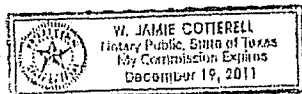
W. Jamie Cotterell
 Notary Public, State of Texas


EXHIBIT "A"

MADE A PART OF THAT CERTAIN MEMORANDUM OF OIL, GAS AND MINERAL LEASE DATED DECEMBER 17th, 2009 BY AND BETWEEN THE WALTER AND ALVINA DROEMER 1983 TRUST AS LESSOR AND JIM BURGIN & ASSOCIATES, INC. AS LESSEE

800.3596 acres of land, more or less, located in the James Burleson League, A-17 and the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in the following SEVEN TRACTS of land, to wit:

Tract One: 220.7692 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, Texas and being more fully described in that certain Deed dated March 28, 1953 from August Menzel and wife, Marie Menzel, to Walter Droemer, recorded in Volume 136 at Page 569 of the Deed Records of Bastrop County, Texas.

Tract Two: 203.444 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, Texas and being more fully described in that certain Deed dated August 14, 1954 from Ludwig Menzel and wife, Ruth Menzel, to Walter Droemer, recorded in Volume 140 at Page 78 of the Deed Records of Bastrop County, Texas.

Tract Three: 259.80 acres of land, more or less, out of the James Burleson League, A-17 and the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated January 21, 1960 from Lena Paulick, et al, to Walter Droemer and wife, Alvina Droemer, recorded in Volume 151 at Page 300 of the Deed Records of Bastrop County, Texas.

Tract Four: 37.276 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated April 15, 1967 from Martin Bohot and wife, Ella Bohot, to Walter Droemer, recorded in Volume 180 at Page 218 of the Deed Records of Bastrop County, Texas.

Tract Five: 5.07 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated July 9, 1990 from Norbert T. Groeschel and wife, Elvira Groeschel, to The Walter And Alvina Droemer 1983 Trust, recorded in Volume 576 at Page 737 of the Official Records of Bastrop County, Texas.

Tract Six: 20.00 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described in that certain Deed dated February 18th, 1965, from Isabella Green et al, to Walter Droemer, recorded in Volume 168 at Page 671, of the Deed Records of Bastrop County, Texas.

Tract Seven: 60.00 acres of land, more or less, out of the George W. Whitesides League, A-69, Bastrop County, Texas and being more fully described as 40.00 acres (First Tract) and 20.00 acres (Second Tract) in that certain Deed dated April 8th, 1965, from Beulah Garnett Johnson, et al, to Walter Droemer, recorded in Volume 169 at Page 551, of the Deed Records of Bastrop County, Texas.

SAVE AND EXCEPT THE FOLLOWING: All depths and horizons from the surface of the earth down to and including 7,910 feet below the surface of the earth in and to the following Two Tracts of land to wit:

First Tract: 80.00 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, TX, and being that certain 80.00 acres of land around the Seay Oil & Gas Ltd. Droemer "A" No. 1A Well; and being known as the Texas Railroad Commission API # 42-024-30926.

Second Tract: 80.00 acres of land, more or less, out of the James Burleson League, A-17, Bastrop County, TX, and being all that certain 80.00 acres of land around the Tex-Lee Operating Company, W.C. Droemer No. 1 Well; and being known as the Texas Railroad Commission API # 42-021-30937.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Leona Ridenour

February 18, 2010 03:00:39 PM
KRISTAD FEE: \$23.00 BOOK: 1973 PAGE: 163-164
ROSE PIETSCH, County Clerk
Bastrop, Texas
201001792

HEED