

Producers 88 (7/69-04) Paid Up Revised
Pooling Provision

Pound Printing Company, L.L.C.
P.O. Box 53010
Midland, TX 79710
1-800-526-3790 TX-1

OIL, GAS, AND MINERAL LEASE

THIS LEASE is made and entered into to be effective May 26th, 2006, deemed the Effective Date, between Charlotte Martin, dealing in her sole and separate property, referred to as Lessor, (whether one or more), whose address is 11538 So. Toerge Dr., La Miranda, CA 90638, and, Pioneer Natural Resources USA, Inc., referred to as Lessee, whose address is P.O. Box 3178, Midland, TX 79702.

1. Lessor, in consideration of Ten Dollars and other valuable consideration (\$10.00 & OVC), the receipt and sufficiency of which is acknowledged, and for the royalties reserved in this Lease, GRANTS, LEASES, and LETS the lands described below, exclusively to Lessee, for the purpose of exploring, drilling, producing and owning, oil, gas, and all other minerals produced with them, and conducting all activities necessary or reasonably incident to the exploration for, operations in search of, and production of oil, gas, and other minerals. The lands subject to this Lease (referred to as the "land" or the "leased premises") are located in Martin County, Texas, and are described as follows:

Southeast Quarter (SE/4) of Section 7, Block 36, Township-3-North, T & P Ry. Co. Survey

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.

For the purpose of determining the amount of any bonus or other payments provided for in this Lease, the land shall be deemed to contain 160.00 acres, whether actually contain more or less. A recital of acreage in any tract shall be deemed to be the true acreage in a described tract. Lessor accepts the bonus as lump sum consideration for this Lease and all rights and options it provides.

2. This is a Paid-Up Lease. No payments are due under this Lease during the primary term, except for the payment of royalties. Unless sooner terminated or longer kept in force under any other of its provisions, this Lease shall remain in force for a term of Three (3) years from the Effective Date stated above. (the "primary term"), and as long thereafter as operations, as defined in this Lease, are conducted on the land with no cessation for more than ninety (90) consecutive days, or this Lease is maintained by any of its other provisions. If, at the end of the primary term Lessee has drilled and abandoned a well on the leased premises, or lands pooled with it, this Lease shall not terminate at the end of the primary term, if Lessee, within 180 days of the end of the end of the primary term, commences additional operations on the leased premises, or lands pooled with it, which operations shall be deemed operations during the primary term of this Lease and serve to maintain it in full force and effect.

3. Lessor reserves as royalty, and Lessee agrees to pay Lessor as royalty on oil, other liquid hydrocarbons, and non-gaseous minerals produced and saved from the leased premises (the "oil"), 1/5 part of the net amount received by Lessee for the sale of the oil at the time it is run from the storage tanks, or into the pipeline to which the well or wells on the leased premises are connected. In either case, Lessor's interest shall bear the stated part of all taxes and costs of treating the oil to render it marketable. Lessee shall pay Lessor as royalty on gas and casinghead gas produced from the leased premises 1/5 of the net amount received by Lessee for the gas if sold at the wellhead, at a location on the leased premises, or on lands with which the leased premises are pooled, with Lessor's share of those proceeds to bear its proportionate share of all taxes and costs incurred by Lessee in delivering, processing, compressing, or otherwise making the gas merchantable or enhancing its marketability. On all other gas and casinghead gas, Lessee shall pay Lessor as royalty 1/5 of the net amount received by Lessee for the gas so sold, less its proportionate share of all costs of transportation, compression, processing, treating, and all other costs of marketing. For all gas sold, Lessor shall bear its proportionate share of all adjustments for heating content, shrinkage, and deductions for impurities. If, at the expiration of the primary term or at any later time or times, there is a well or wells on the land or on lands with which the land or any portion of it are pooled, or unitized, capable of producing oil or gas, and all the wells are shut-in, this Lease shall, nevertheless, continue in force as though operations were being conducted on the land for so long as the wells are shut-in, and Lessee pays the shut-in royalty provided below, and this Lease may be continued in force as if no shut-in had occurred. Lessee agrees to use reasonable diligence to produce, utilize, or market the oil and gas capable of being produced from the wells, but in the exercise of 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, shall not be required to settle labor trouble, or to market oil or gas on terms unacceptable to Lessee. If, at any time after the expiration of the primary term of this Lease, all the wells, oil or gas, on the leased premises, or lands pooled with it, are shut in and this Lease is not otherwise maintained in effect, Lessee may pay or tender, by its check or draft, as shut in royalty, an amount equal to One Dollar (\$1.00) for each acre of land then covered by this Lease (the "shut-in royalty") on or before the end of each 12 month period during which all wells on the leased premises, or lands pooled with it, are shut in and oil or gas is not being produced, sold, or used, and this Lease is not otherwise being maintained. Each 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 paid directly to

each party entitled to a payment, or deposited in the (payable directly to Lessor), or its successors, which shall continue as the depository bank for the parties, regardless of changes in the ownership of shut-in royalty. If at any time Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive payments, Lessee may, at its election, in lieu of any other method of payment, pay or tender the shut-in royalty, in the manner specified above, either jointly to the parties, or separately to each in accordance with their respective ownership. Any payment may be made by Lessee's check or draft, deposited in the mail or delivered to the party entitled to receive payment or to the depository bank provided for above, on or before the last date for payment. Lessee's failure to pay, or tender, or to properly pay or tender any sum due as shut in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this Lease. Nothing shall impair Lessee's right to deliver a release as provided in paragraph 5 below. In the event of an assignment of this Lease, in whole or in part, liability for any payments of any sums which may be due under this Lease shall rest exclusively on the then owner or owners of this Lease, severally, as to the acreage owned by each, and the original Lessee, or an assignee will have no obligation for royalties payable on production after an assignment to a subsequent or successor Lessee or assignee.

4. At its option, Lessee is granted the right and authority to pool, unitize, or combine the land covered by this Lease or any portion of it as to oil and/or gas, with any other land covered by this Lease, and/or with any other land, lease, or leases in the immediate vicinity of the leased premises, when in Lessee's judgment it is necessary or advisable to do so in order to explore, develop, and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and/or gas in and under and that may be produced from the leased premises. Units pooled for oil shall not substantially exceed eighty (80) acres each in area, and units pooled for gas shall not substantially exceed one hundred sixty (160) acres each in area, plus, in both instances, a tolerance of ten percent (10%); provided, should a governmental authority having jurisdiction prescribe, allow, or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location, drilled either vertically or horizontally, to comply with existing or subsequently established field rules, or for obtaining a greater allowable from any well to be drilled, drilling, or already drilled, units created may conform substantially in size with those permitted allowed, or prescribed by applicable governmental regulations, now in existence, or later enacted.

Lessee may pool or combine acreage covered by this Lease or any portion of it as to oil and/or gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the Lease is pooled or combined as to any other stratum or strata, and oil units need not conform to the area within gas units. Pooling in one or more instances shall not exhaust the rights of the Lessee to pool this Lease or portions of it into other units. On execution by Lessee of an instrument describing and designating the pooled acreage as a pooled unit, the unit shall be effective as to all parties, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in the unit. Lessee shall file the instrument for record in the appropriate records of the county in which the leased premises are located. Any unit formed may be revised, re-formed, increased or decreased in size, or changed in configuration, at the election of Lessee, at any time either before or after commencement of operations or production from the unit well. Lessee may, at any time, at its election, vacate, dissolve, or terminate any unit formed, by written instrument filed for record in the county where the land is located, which instrument shall specify the date of termination of the unit.

Lessee may exercise its right to pool at any time and from time to time, while this Lease is in force and effect, whether before or after commencing operations, completing an oil or gas well, or establishing production on the leased premises, or on any land pooled or unitized with the leased premises. Any operations for drilling on or production of oil or gas from a pooled unit which include all or a part of the leased premises, regardless of whether the operations for drilling were commenced, or the production was secured, before or after the execution of this Lease or the instrument designating the pooled unit, shall be considered operations for drilling on or production of oil and/or gas from land covered by this Lease, whether or not the well or wells is located on the leased premises. In that event, operations for drilling shall be deemed to have been commenced on the leased premises within the meaning of this Lease; and, the entire acreage constituting the unit or units, as to oil and/or gas, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this Lease.

For the purpose of computing the royalties to which owners of royalties and payments out of production shall be entitled on production of oil and/or gas from a pooled unit, there shall be allocated to the land covered by this Lease and included in a unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) a pro rata portion of the oil and/or gas, produced from the pooled unit after deducting that used for operations on the Lease or pooled unit. The allocation shall be on an acreage basis; i.e., there shall be allocated to the acreage covered by this Lease and included in the pooled unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) that pro rata portion of the oil and/or gas, produced from the pooled unit which the number of surface acres covered by this Lease (or in each separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties shall be computed on the portion of the production, whether it be oil or gas, allocated to the land covered by this Lease and included in the unit just as though the production were from the land. The production from an oil well will be considered as production from the Lease or oil pooled unit from which it is producing and not as production from a gas pooled unit, and, production from a gas well will be considered as production from the Lease or gas pooled unit from which it is producing and not from an oil pooled unit.

The formation of any unit shall not have the effect of changing the ownership of any shut-in royalty which may become payable under this Lease. If this Lease now or later covers separate tracts, no pooling or unitization of royalty interest as between any separate tracts is intended or shall be implied or result merely from the inclusion of the separate tracts within this Lease, but Lessee shall nevertheless have the right to pool, as provided above, with the consequent allocation of production as provided above. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or later, 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 all or any part of the land or of any mineral, depth, or horizon under the land, and immediately 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 any of the following: surface location preparation or maintenance; drilling; testing; completing; reworking; recompleting; deepening; plugging back or repairing of a well in search of or in an endeavor to obtain production of oil, gas, or other minerals; or production of oil, gas, 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 the land in all operations under the terms of this Lease. Lessee shall have the right, at any time, to remove all machinery and fixtures placed on the land, including the rights to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on the land, without the consent of Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on the land.

8. The rights and estate of any party to this Lease may be assigned from time to time, in whole or in part, and as to any mineral, depths, or horizon. All of the covenants, obligations, and considerations of this Lease shall extend to and be binding on the parties to this Lease, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of the land, royalties, or other moneys, or any part of them, however affected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurements of production. Notwithstanding any other actual or constructive knowledge or notice to Lessee, its successors or assigns, no change or division in the ownership of the land, the royalties, other moneys, or the right to receive the same, however effected, shall be binding on the then record owner of this Lease until sixty (60) days after there has been furnished to the record owner at its principal place of business, by Lessor or Lessor's heirs, successors, or assigns, notice of the change or division of ownership, supported by either originals or certified copies of the instruments which have been properly filed for record which evidence the change or division of ownership, and of any applicable court records and proceedings, transcripts, or other documents necessary, in the opinion of the record owner, to establish the validity of the change or division of ownership. If any change in ownership occurs by reason of the death of an owner, Lessee may, nevertheless pay or tender the royalties, other moneys, or any part of them, to the credit of the decedent in the depository bank provided above.

9. In the event Lessor considers Lessee has not complied with all its obligations under this Lease, either express or implied, Lessor shall notify Lessee in writing, setting out specifically how Lessee is claimed to have breached this Lease. Lessee shall then have sixty (60) days after receipt of the notice within which to meet or commence to meet all or any part of the claimed breaches alleged by Lessor. The service of the notice shall be a mandatory precedent to Lessor bringing any action, for any cause, and no action shall be brought until sixty (60) days after service of Lessor's notice on Lessee. Neither the service of the notice or 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 its obligations under the terms of this Lease. If this Lease is cancelled or terminated for any cause, it shall nevertheless remain in force and effect as to: (1) sufficient acreage around each well on which there are operations to constitute a drilling or maximum allowable or production unit under applicable governmental regulations, the acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in the shape as then existing spacing rules require; and, (2) any part of the land included in a pooled unit on which there are operations. Lessee shall also continue to have all easements on all the land reasonably necessary to operations on the acreage retained.

10. Lessor hereby warrants and agrees to defend title to the leased premises against the claims of all persons whomsoever claiming all or any part of it. Lessor's rights and interests in the land shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on the land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce them for Lessor, either before or after maturity, and be subrogated to the rights of the holder of the lien and to deduct amounts so paid from royalties or other moneys payable or which may become payable to Lessor and/or Lessor's assigns. If this Lease covers less interest in the oil, gas, or other minerals in all or any part of the land than the entire and undivided fee simple estate (whether Lessor's interest is specified or not), or no interest, then the royalties, and other moneys accruing from any part of the land in which this Lease covers less than the full interest, shall be paid only in the proportion which the Lessor's interest, if any, covered by this Lease, bears to the whole and undivided fee simple estate in the land. All royalty interest covered by this Lease (whether or not owned by Lessor) shall be paid out of the royalty provided for in this Lease. This Lease shall be binding on each party who executes it without regard to whether it is executed by all those that may be named as Lessor.

11. If, while this Lease is in force, at, or after the expiration of the primary term, it is not being continued in force by reason of the shut-in well provisions of paragraph 3., and Lessee is not conducting operations on the land by reason of (1) any law, order, rule, or regulation, (whether or not subsequently determined to be invalid) or, (2) any other cause, or force majeure, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term shall be extended until the first anniversary date occurring ninety (90) or more days following the removal of the delaying cause, and this Lease may then be extended by operations as if the delay had not occurred.

This Lease is executed as of the date of the acknowledgment of the undersigned's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.

Charlotte Martin
Charlotte Martin

STATE OF California
COUNTY OF Los Angeles

INDIVIDUAL ACKNOWLEDGMENT

This instrument was acknowledged before me on the 26 day of July, 2006, by Charlotte Martin, dealing in her sole and separate property.

Janice Denise Worley, Notary Public
Notary Public Signature



ADDENDUM

Attached to and made a part of the Oil and Gas Lease dated May 26, 2006, between Charlotte Martin, dealing in her sole and separate property, Lessor, and Pioneer Natural Resources USA, Inc., Lessee, covering the Southeast Quarter (SE/4) of Section 7, Block 36, Township-3-North, T & P Ry. Co. Survey, Martin County, Texas, containing 160 acres more or less.

Notwithstanding any conflicting provisions of the attached lease, the following provisions of this addendum shall control:

On the latter of (i) 180 days following the end of the primary term of this Lease, or (ii) the conclusion of the Continuous Development Program, permitted and described below, this Lease shall terminate as to all lands covered by this Lease not included within a Well Tract, and as to each such Well tract this lease shall terminate as to all depths (100') one hundred feet below, but not above, the stratigraphic equivalent of the deepest formation capable of producing in each Well Tract. "Well Tract" is defined as and shall consist of an area, surrounding each well drilled on the Lease Premises or lands pooled or unitized therewith capable of producing oil and/or gas, not to exceed 80 acres for each oil well, plus a tolerance of 10%, or 160 acres for each gas well, plus a tolerance of 10%, with the Well Tract for each well being as nearly as in the shape of a square, rectangle or other reasonable shape surrounding such well, which, in the good faith judgment of the Lessee, is practical. Should any governmental authority having jurisdiction at any time prescribe or permit the creation of a drilling, production, or proration unit with a larger area than the acreage allotted above for a Well Tract, then Lessee can, at its sole option but without obligation, designate or increase the size of each Well Tract up to a size that will conform in size with the drilling, production, or proration unit acreage allowable prescribed or permitted by such governmental regulations. Nothing contained in this provision shall alter, diminish or increase Lessee's rights to pool or to unitize this lease as to all or any portion of the lease premises with other land or leases as may be permitted by the provisions of this Lease.

"Continuous Development Program" shall mean that commencing upon the expiration of the Primary term, Lessee conducts operations for the drilling of a well on the lease premises, or on land pooled with the lease premises, with no lapse of more than 180 days between the Completion of one well and the Commencement of Operations on the next succeeding well. For purposes of this provision, "Completion" of a well shall be deemed the date on which the applicable report (either for a well capable of producing oil or gas or a dry hole) is filed with the governmental agency having jurisdiction. "Commencement of Operations" shall be deemed to occur when a well is stalked.

Notwithstanding the termination of this Lease as to a portion of the Lease Premises, Lessee shall continue to have all of the rights of ingress and egress upon, over and across the portions of the Lease Premises to which this lease may terminate for ingress to and egress from the lands remaining subject to this Lease for all purposes provided in this Lease, including, without limitation, easements and rights of way for roads, pipelines and other facilities on, over and across all the lands originally covered by this Lease, for access to and from the lands remaining subject to this Lease, and for the gathering of transportation of oil and/or gas produced from the retained lands. This provision shall not alter the effect of any other provisions of this Lease which relate to lease maintenance before or after the primary term or upon application of this provision, including, without limitation, the rental provision, shut-in provisions and the force majeure clause.

Signed for identification only

Charlotte Martin
Charlotte Martin

FILED FOR RECORD THE 16 DAY OF August AD 2006 AT 10:07 O'CLOCK A M
DULY RECORDED ON THE 18 DAY OF August AD 2006 AT 4:30 O'CLOCK P M
INSTRUMENT NO 1467

SUSIE HULL, COUNTY CLERK
MARTIN COUNTY, TEXAS
BY [Signature] deputy