

Declaration of Trust

WHEREAS, I, Nadine S. Jones, of the City/Town of Chiloquin, County of Klamath, State of Oregon, am the owner of certain real property and the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below in the County of Panola, State of Texas, which property is described more fully in the Deed conveying it from W.F. Beall, et al to Miss Addie Neal. The Last Will and Testament of Howard F. Neely (husband of Miss Addie Neal) conveys it from Howard F. Neely to Nadine S. Jones, as that certain piece or parcel of land and interest of all the oil, gas and related hydrocarbons produced from the property, located in said Panola County, being:

Legal description: 352 acres, more or less, located in the R.E. Koyle Survey, A-381, William B. Twomey Survey, A-681, William McFadden Survey, A-443, and Jacob West Survey, A-734.

Tract No. 12 (65.3 acres)

Division of Interest: This division order relates to interest formerly credited to Howard F. Neely, now deceased. In accordance with the terms of his Last Will and Testament, which has been filed of record in Panola County, Texas, the interest is shown below:

Common Fraction: .50 x 65.3/352 x 1/8 RI Decimal Fraction: (.0115945)

County Reference: /wpb:fite.do 2-15-95

Being the same premises earlier conveyed to the Settlor by the Last Will and Testament of Howard F. Neely dated February 13, 1995 and recorded in Book OR, Vol. 00943, Page 802 of the Panola County Land Records.

The original Warranty Deed of July 26, 1938 is recorded in Vol. 129 on Page 635 of Panola County, Texas.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that I do hereby acknowledge and declare that I hold and will hold said real property and all my right, title and interest in and to said property and all furniture, fixtures and personal property situated therein on the date of my death, IN TRUST

1. For the use and benefit of the following Three persons, in equal shares, or ~~the survivor of them~~ ^{NS} per stirpes:

Joan Carol Bielby - daughter

Jan Carl Robertson - son

Virgil Leonard Mathias - son

If because of my physical or mental incapacity certified in writing by a physician, the Successor Trustee hereinafter named shall assume active administration of this trust during my lifetime, such Successor Trustee shall be fully authorized to invest, reinvest and otherwise manage the trust's asset(s) as he shall deem appropriate, paying to me or disbursing on my behalf such sums from income or principal as may appear necessary or desirable for my comfort or welfare. Upon my death, unless all the beneficiaries shall predecease me or unless we all shall die as a result of a common accident or disaster, my Successor Trustee is hereby directed to transfer said property and all right, title and interest in and to said property unto the beneficiaries absolutely and thereby terminate this trust; provided, however, that if any beneficiary hereunder shall not have attained the age of 21 years, the Successor Trustee shall hold such beneficiary's share of the trust assets in continuing trust until such beneficiary shall have attained the age of 21 years. During such period of continuing trust the Successor Trustee, in his absolute discretion, may retain the specific trust property herein described if he believes it in the best interests of the beneficiary

so to do, or he may sell or otherwise dispose of such specific trust property, investing and reinvesting the proceeds as he may deem appropriate. If the specific trust property shall be productive of income or if it be sold or otherwise disposed of, the Successor Trustee may apply or expend any or all of the income or principal directly for the maintenance, education and support of the beneficiary without the intervention of any guardian and without application to any court. Such payments of income or principal may be made to the parents of such beneficiary or to the person with whom the beneficiary is living without any liability upon the Successor Trustee to see to the application thereof. If such beneficiary survives me but dies before attaining the age of 21 years, at his or her death the Successor Trustee shall transfer, pay over and deliver the trust property being held for such beneficiary to such beneficiary's personal representative, absolutely.

2. Each beneficiary hereunder shall be liable for his proportionate share of any taxes levied upon the Settlor's total taxable estate by reason of the Settlor's death.

3. All interests of a beneficiary hereunder shall be inalienable and free from anticipation, assignment, attachment, pledge or control by creditors or by a present or former spouse of such beneficiary in any proceedings at law or in equity.

4. I reserve unto myself the power and right during my lifetime (1) to place a mortgage or other lien upon the property, (2) to collect any rental or other income which may accrue from the trust property and to pay such income to myself as an individual. I shall be exclusively entitled to all such income accruing from the trust property during my lifetime, and no beneficiary named herein shall have any claim upon any such income and/or profits distributed to me.

5. I reserve unto myself the power and right at any time during my lifetime to amend or revoke in whole or in part the trust hereby created without the necessity of obtaining the consent of any beneficiary and without giving notice to any beneficiary. The sale or other disposition by me of the whole or any part of the property held hereunder shall constitute as to such whole or part a revocation of this trust.

6. The death during my lifetime, or in a common accident or disaster with me, of all of the beneficiaries designated hereunder shall revoke such designation, and in the former event, I reserve the right to designate new beneficiaries. Should I for any reason fail to designate such new beneficiaries, this trust shall terminate upon my death and the trust property shall revert to my estate.

7. In the event of my physical or mental incapacity or my death, I hereby nominate and appoint as Successor Trustee hereunder the beneficiary named first above, unless such beneficiary shall not have attained the age of 21 years, or is otherwise legally incapacitated, in which event I hereby nominate and appoint as Successor Trustee hereunder the beneficiary named second above. If such beneficiary named second above shall not have attained the age of 21 years, or is otherwise legally incapacitated, then I nominate and appoint

(Name) Virgil Leonard Mathia, of
(Address) PO Box 329 Endicott WA 99125
Number Street City State Zip

to be Successor Trustee.

8. This Declaration of Trust shall extend to and be binding upon the heirs, executors, administrators and assigns of the undersigned and upon the Successors to the Trustee.

9. The Trustee and his successors shall serve without bond.

10. This Declaration of Trust shall be construed and enforced in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this

day of Sept. 6, 2007
(Settlor sign here) Nadine J. Jones L.S.

I, the undersigned legal spouse of the Settlor, hereby waive all community property, dower or curtesy rights which I may have in the hereinabove-described property and give my assent to the provisions of the trust and to the inclusion in it of the said property.

(Spouse sign here) _____ L.S.

Witness: (1) N/A Witness: (2) N/A
STATE OF OREGON City or Town Clatskanie
COUNTY OF Klamath
On the 6th day of September, 2007, personally appeared
Nadine Norma Jones

known to me to be the individual(s) who executed the foregoing instrument, and acknowledged the same to be her free act and deed, before me.

(Notary Seal)



Teresa R Foreman
Notary Public

Doc	Bk	Vol	Pg
124068	0R	1400	533

Texas Royalty Brokers

CLERK'S NOTE: ALL OR PARTS OF
THE TEXT ON THIS INSTRUMENT
WAS NOT CLEARLY LEGIBLE FOR
SATISFACTORY RECORDATION.

Texas Royalty Brokers

STATE OF TEXAS	COUNTY OF PANOLA	FILED FOR RECORD
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of PANOLA County, Texas as stamped hereon by me.		Sep 24, 2007 02:43P
OFFICIAL PUBLIC RECORDS		MICKEY DORMAN, COUNTY CLERK PANOLA COUNTY, TEXAS
Sep 24, 2007 02:43P		
MICKEY DORMAN, COUNTY CLERK PANOLA COUNTY, TEXAS		BY: Clara Jones, Deputy

Texas Royalty Brokers