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East Kenedy Prospect Area (Eagle Ford Gas Condensate Trend)

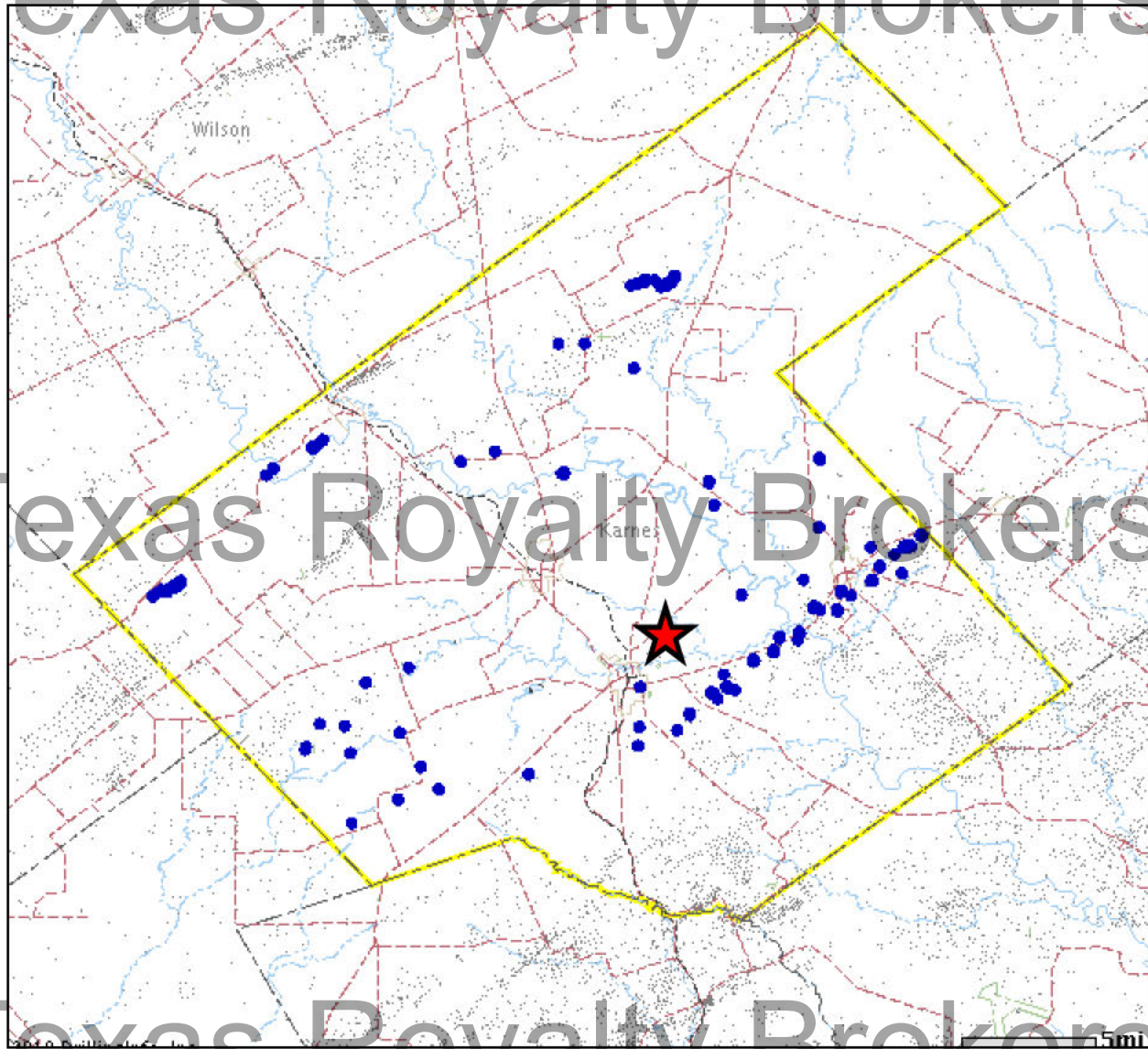
***80+ BCF GIP plus Condensate associated with
Lease position in Austin Chalk and Eagle Ford
(16 BCF & 4 MMBC @ 20% Rf)***

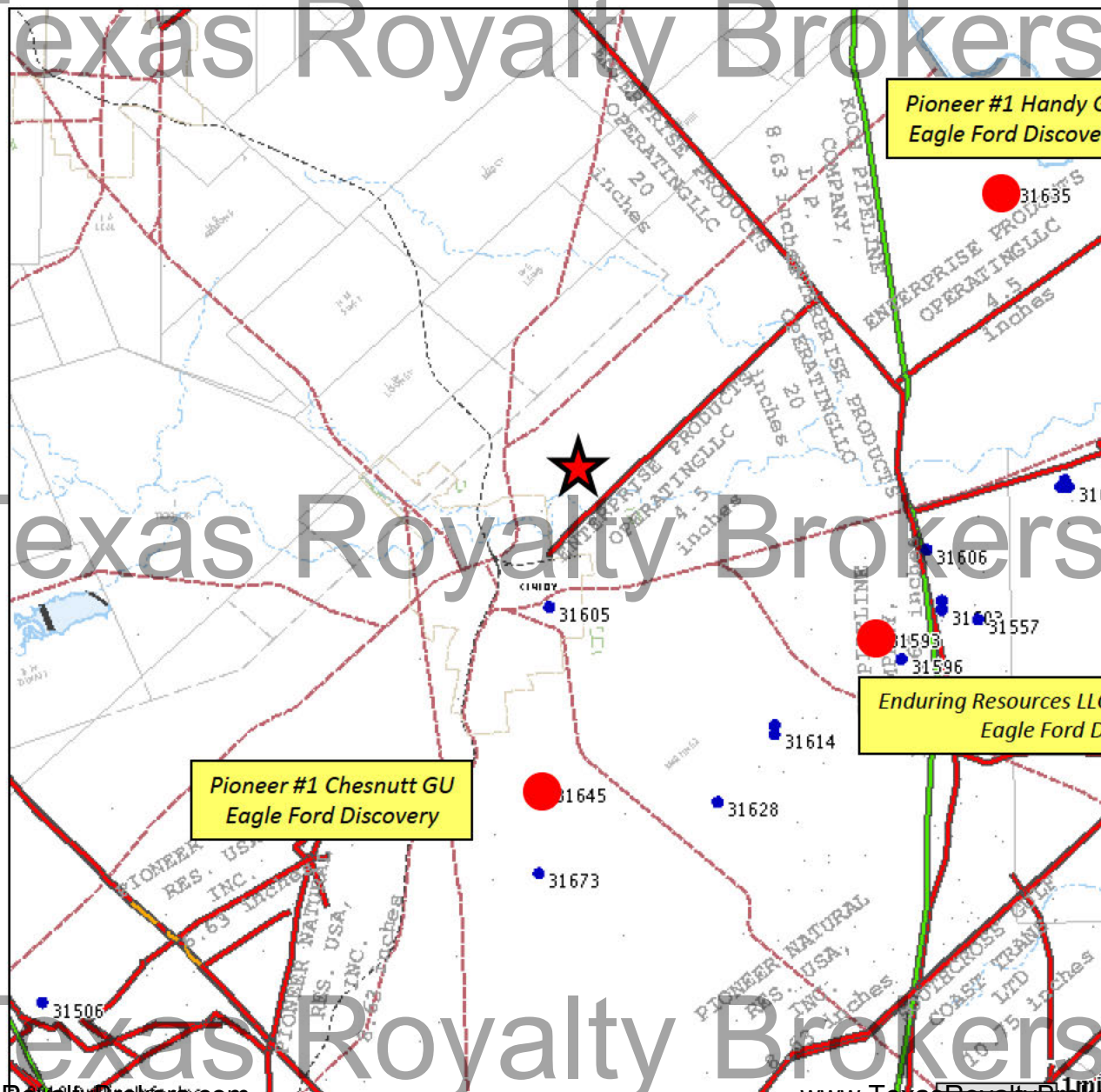
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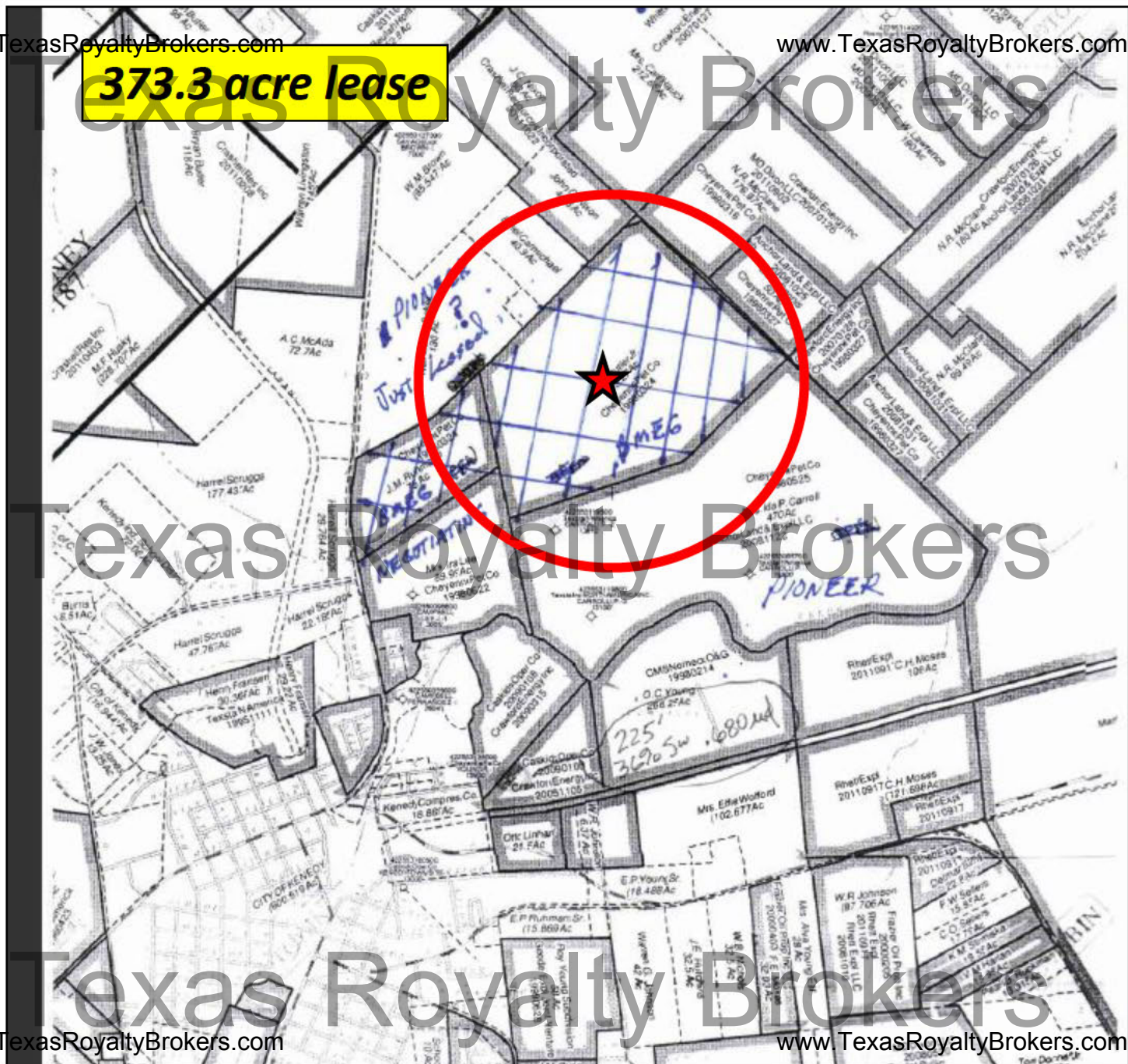
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373.3 acre lease



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OIL AND GAS LEASE

THIS LEASE is made and entered into to be effective **July 20, 2009**, deemed the Effective Date, between **Joe Mauch, Jr., et ux, Peggy F. Mauch**, referred to as Lessor, whose address is **658 C.R. 326, Kenedy, Texas 78119**, and **Boyd & McWilliams Energy Group, Inc.**, referred to as Lessee, whose address is **550 W. Texas, Suite 310, Midland, Texas 79701**.

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 **Karnes County, Texas**, and are described as follows:

74.03 ACRE TRACT DESCRIPTION

DESCRIBED IN CORRECTED FIELD NOTES TO A 74.03 ACRE TRACT OR PARCEL OR LAND SITUATED WITHIN THE CARLOS MARTINEZ 15 LEAGUE GRANT, A-6, KARNES COUNTY, TEXAS; BEING A PORTION OF THAT CERTAIN 75 ACRE TRACT OR PARCEL OF LAND AS DESCRIBED IN A DEED DATED FEBRUARY 2, 1938 FROM MRS. IRA COATS LEE, AND G.A. LEE TO THE RUHMANN MERCANTILE COMPANY, RECORDED IN VOLUME 115, PAGES 36-37, DEED RECORDS OF KARNES COUNTY, TEXAS, AND BEING ALSO THAT CERTAIN 74.03 ACRE TRACT OR PARCEL OF LAND AS DESCRIBED IN A DEED DATED JUNE 9, 1981 FROM A.M. GREEN TO ABB MARTIN GREEN, JR., RECORDED IN VOLUME 516, PAGES 809-813, DEED RECORDS OF KARNES COUNTY, TEXAS.

299.265 ACRE TRACT DESCRIPTION

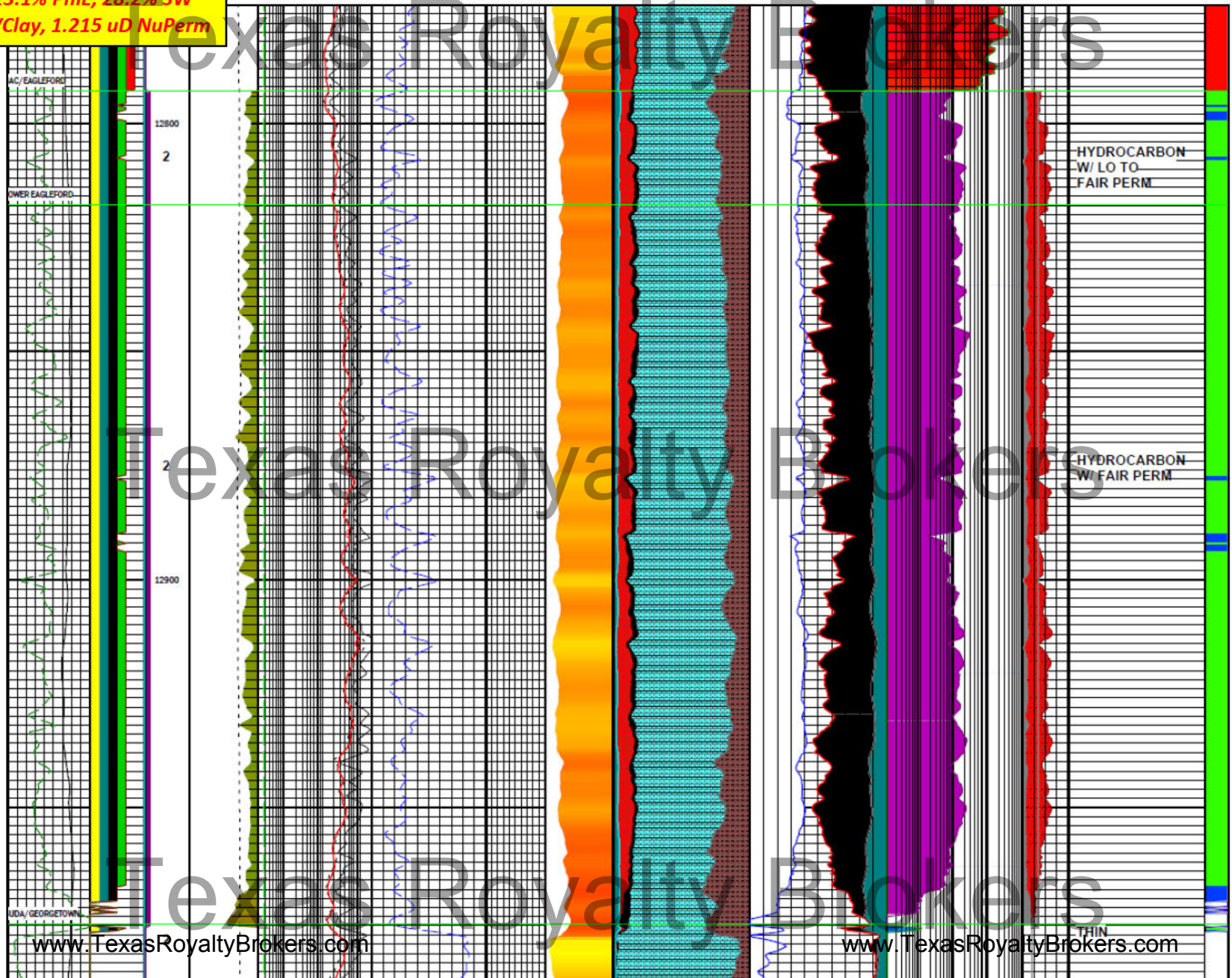
BEING THE SAME LAND CONVEYED BY W.G. AND ADELINE BUTLER TO T.G. BUTLER BY DEED DATED FEBRUARY 18, 1899 AND RECORDED IN VOLUME W, PAGE 522 OF THE DEED RECORDS OF KARNES COUNTY, TEXAS CONTAINING 302 ACRES, BEING A PORTION OF THE CARLOS MARTINEZ GRANT, ABSTRACT 6, SAVE & EXCEPT ALL THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF THE CARLOS MARTINEZ SURVEY, A-6, CONTAINING 2.735 ACRES OF LAND, AND BEING A PART OF 302 ACRES OF LAND CONVEYED BY T.G. BUTLER, SR. TO T.G. BUTLER, JR., BY DEED DATED APRIL 15, 1946 AND RECORDED IN VOLUME 156, PAGE 398 OF THE DEED RECORDS OF KARNES COUNTY, TEXAS.

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180' net pay (98% net to gross)
Avg. 13.1% PhiE, 26.2% SW
21.6% VClay, 1.215 uD NuPerm

Texstar #2 Carroll Eagle Ford Section (On Leasehold)

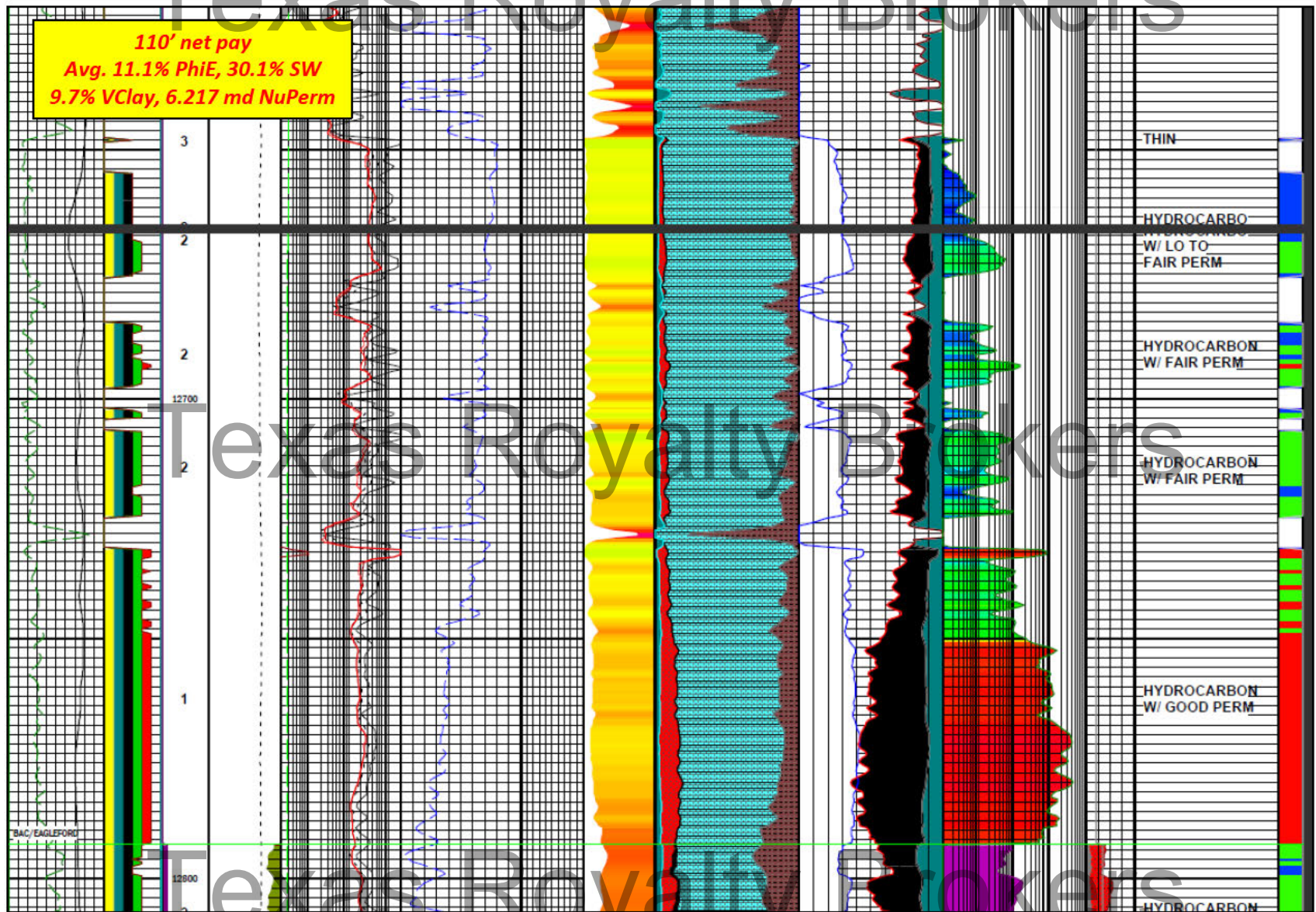
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Texstar #2 Carroll Lower Austin Chalk Section (On Leasehold)



www.TexasRoyaltyBrokers.com **Summary Eagle Ford NuLook Reservoir Property Parameters (East Kennedy Area)** www.TexasRoyaltyBrokers.com

	GROSS FT	PAY FT	Net to Gross	RANK	Vclay	PHIE	SW	PERMSH (uD)	HydPorFT	PERMSHFT (uD-ft)	TOC (%)	Total GIP BCF/Sec	Adsorbed GIP BCF/Sec	Free GIP BCF/Sec	Free/Total Ratio GIP
Cheyenne Ruby Young #1	227	216	95.2%	2.28	21.7%	11.1%	36.0%	0.680	16.5	154.3	2.04%	179.4	24.4	155.0	86.4%
Chesapeake Davila #1H	225	188	83.6%	2.38	36.7%	9.0%	32.6%	0.576	14.5	129.7	3.20%	165.2	37.8	127.4	77.1%
PetroHunt Savannah-Pargmann #1	175	175	100.0%	2.13	20.1%	12.6%	20.6%	1.400	17.7	244.9	4.36%	181.7	38.2	143.5	79.0%
General Crude Alexander #1	240	196	81.7%	2.20	20.1%	12.9%	35.7%	1.075	20.5	257.9	4.08%	228.4	50.3	178.2	78.0%
Chesapeake Rhodes #1	256	185	72.3%	2.26	34.3%	10.3%	46.1%	0.466	14.0	119.2	2.63%	153.3	32.9	120.5	78.6%
Texstar N.A. Carroll #2	184	180	97.8%	2.07	21.6%	13.1%	28.2%	1.215	17.6	223.6	3.45%	196.2	32.9	163.4	83.3%
Texstar N.A. Malmberg #1	163	156	95.7%	2.42	27.1%	10.7%	38.8%	0.582	11.0	94.9	3.62%	125.1	30.4	94.7	75.7%
Averages	210	185	88.2%	2.25	26.0%	11.4%	34.0%	0.856	16.0	174.9	3.34%	175.6	35.3	140.4	79.9%

Primary Target

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Estimated 97 BCF OGIP plus condensate per Section in Eagle Ford

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Summary Austin Chalk NuLook Reservoir Property Parameters (East Kenedy Area)

	Pay	Rank	Vclay	PhiE	SW	NuPerm	HydPorFT	NUPERMFT
Cheyenne Ruby Young #1	71	1.77	8.9%	8.9%	30.4%	0.804	4.41	57.07
Chesapeake Davila #1H	90	2.00	11.1%	8.0%	29.8%	0.843	5.15	75.89
PetroHunt Savannah-Pargmann #1	174	1.90	14.5%	8.7%	26.2%	6.855	11.58	1192.73
General Crude Alexander #1	78	1.10	14.0%	14.9%	21.5%	17.165	9.19	1338.88
Chesapeake Rhodes #1	116	2.29	23.8%	7.4%	32.6%	0.382	5.80	44.30
Texstar N.A. Carroll #2	115	1.73	9.7%	11.1%	30.1%	6.217	9.25	714.96
Texstar N.A. Malmberg #1	36	1.94	14.6%	9.6%	39.6%	0.573	2.11	20.63
Averages	97	1.82	13.8%	9.8%	30.0%	4.691	6.78	492.07

Secondary Target

Estimated 46 BCF OGIP plus condensate per Section in Eagle Ford

Comparison of East Kenedy Area to South Texas Hawkville Gas Play Area

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Downdip Cretaceous Shelf Edge (Petrohawk)	Gross EF Section (ft)	Net pay ft	Net to Gross	Avg. Pay Rating	V Shale %	PhiE %	SW %	PermSh uD	HydroPore Ft	NUPERM uD-Ft	TOC (%)	Total GIP BCF/Sec	Adsorbed GIP BCF/Sec	Free GIP BCF/Sec	Free/Total GIP Ratio
Shell Oil Co. #1 K. Wheeler (Downdip AWP Field)	189	132	69.8%	2.1	22.3	11.3	28.0	0.807	10.73	106.52	4.24%	123.31	28.7	94.6	76.7%
Swift Energy #1 Pielop (Upper Eagleford)	90	81	90.0%	2.2	24.9	10.6	28	0.909	7.17	80.85	1.57%	67.38	6.9	60.4	89.7%
Swift Energy #1 Pielop (Lower Eagleford)	210	196	93.3%	2.0	25.0	13.3	21.5	1.571	21.60	315.75	1.53%	197.72	15.0	182.7	92.4%
Swift Energy #1 Pielop TOTAL EAGLEFORD SECTION	291	277	95.2%	2.1	25%	12.5%	23.5%	1.366	28.77	396.91	1.54%	265.1	21.9	243.2	91.7%
East Kenedy Area															
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