

# Texas Royalty Brokers

## BONUS PAYMENT AGREEMENT

On approval of lease described hereon, and on approval of title to same by Lessee not later than 30 banking days after receipt of this Agreement by Lessee.

June 11, 2018

PAY TO THE ORDER OF **Michael G. Abbott** **\$300,000.00**  
**2401 Micheltorena St. Los Angeles, CA 90039**  
**Three Hundred Thousand and 0/100 Dollars**

This draft is drawn to pay for an Oil and Gas Lease dated July 11, 2018 and covering all of Lessor's interest under the following lands in Reeves County, Texas:

The East 304.56 acres of the West 1/2 of Section 6 Block C-8, P.S.L. Survey, Reeves County, Texas

The drawer, payee and endorsers hereof, and the grantors of the agreement described hereon, do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof the drawee, within said time, and without any right of the drawer, payee or endorsers hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return same prior to such expiration.

In the event this Draft is not paid within said time, the collecting bank shall return same to forwarding bank and no liability for payment or otherwise shall be attached to any of the parties hereto.

# Texas Royalty Brokers

To: KEW Drilling (Drawee)  
c/o Kathryn Walker Francis  
214-292-6655 ext 1 or ext 3  
AT: Bank of America (ABA #111000025)  
Attn: Domestic Collections  
P.O. Box 830200  
Dallas, Texas 75283

LESSEE'S AUTHORIZED AGENT:

Aaron Trimble

LESSOR, PLEASE CHECK BOX AND SIGN BELOW TO RECEIVE PAYMENT BY CHECK:

I agree that above amount is correct bonus consideration to be paid for approved above-described Lease. I choose to receive bonus payment by check, which will be mailed by KEW Drilling within four weeks of receipt of this signed Agreement.

ENDORSEMENTS

Lessor:

  
Michael G. Abbott

# Texas Royalty Brokers

# Texas Royalty Brokers

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 July 11, 2018, deemed the Effective Date, between Michael G. Abbott, referred to as Lessor, (whether one or more), whose address is 2401 Micheltorena St Los Angeles, CA 90039 and KEW Drilling LP A Texas Limited Partnership, referred to as Lessee, whose address is 4925 Greenville Avenue, Suite 500, Dallas, TX 75206.

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 Reeves County, Texas, and are described as follows:

The East 304.56 acres of the West 1/2 of Section 6 Block C-8, P.S.L. Survey, Reeves County, Texas

**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 304.56 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 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"), 25% 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 25% 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 25% of the net amount received by Lessee for the gas so sold, less 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, 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 where to do so would in the judgment of Lessee promote the conservation of oil and/or gas in and under the land 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, drilled, 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 unit 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

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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 proration 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 one of the leased premises against the claims of all persons who ever 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.

12. Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any acreage covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying an additional bonus of \$6000.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil, Gas and Mineral Lease originally provided for a primary term of five (5) years from the date hereof.

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.

SEE ATTACHED ADDENDUM.

Lessor:

*Michael G. Abbott*  
Michael G. Abbott

# Texas Royalty Brokers

### ACKNOWLEDGMENT

STATE OF California  
COUNTY OF Los Angeles

This instrument was acknowledged before me on the 12 day of July, 2018, by Michael G. Abbott



*Y. Hosseini*  
Notary Public Signature

My Commission expires: Feb. 10, 2022

# Texas Royalty Brokers

## ADDENDUM TO OIL, GAS AND MINERAL LEASE

Attached to and made a part of the Oil, Gas and Mineral Lease dated July 11, 2018, between Michael G. Abbott Lessor, and KEW Drilling, Lessee,:

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

13. CONTINUOUS DEVELOPMENT/PUGH If, at the expiration of the primary term, this Lease is being maintained in force under any provision of the Lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a Continuous Drilling Program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date, and thereafter to carry on the Continuous Drilling Program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the Continuous Drilling Program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded by a rig capable of drilling to the proposed permitted depth of a well on said land or lands pooled therewith, with all necessary equipment and pits in place, and iv) the terms "completed" and "completion" mean the completion date as listed on the initial potential test report is filed with the commission, if a productive well, or the plugging date as listed on the plugging report is filed with the commission, if a dry hole.

Notwithstanding the partial termination of this Lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this Lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this Lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this Lease shall be the termination or partial termination of Lessee's rights under the Lease as provided above.

14. DEPTH LIMITS / RELEASE Upon the expiration of the primary term of this lease or upon the expiration of any extension or renewal of the primary term or upon the cessation of continuous development program, whichever occurs last, Lessee shall release the leased premises as to all rights lying Five hundred (500) feet below the stratigraphic equivalent of the base of the deepest formation producing or capable of producing in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this lease shall remain in full force and effect as to all depths so long as no more than one hundred eighty (180) days elapse between said operations.

Signed for identification only:



Michael G. Abbott

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# Texas Royalty Brokers

ACKNOWLEDGMENTS

STATE OF California  
COUNTY OF Los Angeles

This instrument was acknowledged before me on this 12 day of July, 2018, by  
Michael G. Abbot



Y. Hosseini  
Notary Public - Signature  
Commission Expires: Feb. 10, 2022

STATE OF TEXAS  
COUNTY OF DALLAS

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of the month of \_\_\_\_\_, 2018 by Kathryn W. Francis, Manager of MPF Management, LLC, general partner of KEW Drilling, LP, a Texas limited partnership, on behalf of said limited partnership.

# Texas Royalty Brokers

Notary Public - Signature

My Commission Expires: \_\_\_\_\_

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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.

## MEMORANDUM OF PAID UP OIL, GAS AND MINERAL LEASE

STATE OF TEXAS           §  
  §           KNOW ALL MEN BY THESE PRESENTS THAT:  
COUNTY OF REEVES       §

Michael G. Abbott whose address is 2401 Micheltorena St. Los Angeles, CA 90039, hereafter referred to as "Lessor," (whether one or more) and KEW Drilling, LP, A Texas Limited Partnership, whose address is 4925 Greenville Avenue, Suite 500, Dallas, TX 75206, hereafter referred to as "Lessee," hereby acknowledge and give notice that Lessor has executed and delivered to Lessee an Oil, Gas and Mineral Lease (hereinafter called the "Lease") dated July 11, 2018 ("Effective Date"), under the terms of which Lessor has granted, leased and let exclusively to Lessee for the sole purpose of investigating, exploring, prospecting, drilling and operating for, and developing, producing, marketing and selling of, oil, gas and all other liquid or gaseous minerals, including sulphur, and granting certain other rights and privileges as more particularly set forth in the Lease, from the following lands located in Reeves County, Texas:

The East 304.56 acres of the West 1/2 of Section 6 Block C-8, P.S.L. Survey, Reeves County, Texas

The Lease has been executed and acknowledged by Lessor and provides for a primary term of Three (3) years commencing with the Effective Date as specified in the Lease, and so long thereafter as oil, gas or other minerals granted under the Lease is produced in paying quantities from the Leased Premises or drilling operations are continuously prosecuted as provided in the Lease.

An original executed copy of the Lease is in the possession of Lessee in its office at the address set forth above for Lessee. The purpose of this Memorandum is to evidence of record the existence of the Lease, and Lessor and Lessee have agreed to file this Memorandum in the Official Public Records of Reeves County, Texas in lieu of filing the Lease in its entirety. In executing and recording this Memorandum, Lessee agrees that it has accepted the Lease and agrees to be bound by all the terms, conditions, covenants, restrictions and obligations imposed upon Lessee in the Lease.

IN WITNESS WHEREOF, this Memorandum is executed on the respective dates of the acknowledgements hereto, but effective for all purposes as of the Effective Date of the Lease.

LESSOR:



Michael G. Abbott

LESSEE:

KEW Drilling, LP, a Texas Limited Partnership

By MPE Management, LLC, it's general partner

\_\_\_\_\_  
Kathryn W. Francis, Manager