

OIL AND GAS LEASE

This Oil and Gas Lease, made and entered into this 24th day of March, 2007 by and between: **SHRINERS HOSPITALS FOR CHILDREN** (herein called "Lessor"), a non-profit corporation whose address is 2900 Rocky Point Drive, Tampa, Florida 33607, and **Suemaar Exploration & Production, LLC** (herein called "Lessee," whether one or more) whose address is: 802 N. Carancahua St., Suite 1000, Corpus Christi, TX 78470.

WITNESSETH THAT:

- (a) Lessor in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by Lessee, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the royalties herein provided to be paid and the covenants, agreements and obligations of Lessee herein contained and upon the conditions and with the limitations hereinafter set forth and contained, hereby **GRANTS, LEASES and LETS** exclusively unto the Lessee, its successors and assigns, for the purpose of investigating, exploring, prospecting, drilling and mining and operating for and producing oil and gas and conducting geophysical and seismic operations, laying pipelines, building tanks, roads, power stations, telephone lines and other structures thereon to produce, save, store, transport, take care of, treat and own said products produced from the lands hereby leased but not including housing for its employees, the land in **Hidalgo County, Texas**, which is described in the schedule Exhibit "A" on page 9 of this lease. The term "oil and gas" for the purpose of this lease shall be deemed to include oil, gas, casinghe substances as are produced necessary for the production of oil or gas from wells on the leased premises.

(b) This lease is made by *Shiners* and is made subject to the rights-of-way, if any, affecting the land described in Exhibit "A", whether or not such rights-of-way are shown on the above described property or any part thereof.

(c) The land included within the lease is estimated to comprise 200 acres, whether more or less.
2. Subject to the other provisions of this lease, the primary term of this lease (called "primary term") shall terminate on the date that the primary term shall terminate as to all the lands pooled therewith, or in which an attempt is then being made through diligent and good faith drilling or reworking operations to establish production in paying quantities, and if such operations result in production of oil and/or gas, this lease shall not terminate in regard to such producing horizon or horizons so long thereafter as oil and/or gas in paying quantities is produced therefrom. Furthermore, at the end of the primary term, this lease shall also terminate as to all depths 100' below the deepest producing horizon in a well drilled on land described herein or from lands pooled therewith.
3. The cash down payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises, and thereby surrender this lease as to such portion or portions and be relieved of all subsequent obligations as to the acreage surrendered; PROVIDED such release shall not thereby relieve the Lessee of any liabilities which may have accrued in connection with the lease prior to the surrender of such acreage.
4. The royalties and additional considerations to be paid Lessor are:

 - (a) As a royalty on oil, which is defined as including all hydrocarbons produced in liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil and/or gas run through a separator or other equipment, as hereinafter provided, one-fourth (1/4th) part of the value of the gross production. Said value shall be based on the highest posted price, plus premium, in any offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively of a like type and gravity in the general area, or the proceeds of the sale thereof, whichever is greatest; or at Lessor's option, to be delivered in kind free of cost either (1) at the tank battery or (2) into the pipeline for the account of Lessor to which the well(s) may be connected. Lessee agrees that before any gas produced from the land hereby leased, containing liquid hydrocarbons, recoverable in commercial quantities by a separator

on the lease, is sold, used or processed in a plant, it shall be run through an adequate oil and gas separator of conventional type or other equipment at least efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

(b) Except as provided in Paragraph 6 below, royalty on any and all gas, which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (a) above, produced from any well and sold by Lessee, or used by Lessee shall be one-fourth (1/4th) of the value of the gross production, such value to be determined on the basis of the highest price paid for gas of a similar quality or the market price thereof prevailing for the amount accruing to the producer, from all hydrocarbons or other products produced from said gas, whichever is the greatest, PROVIDED, HOWEVER, that if any such gas is processed for the extraction of liquifiable hydrocarbons or other marketable substances, the value of the extracted products and the remaining residue gas attributable thereto shall for royalty purposes never be less than if such gas had not been processed; or at Lessor's option, to be delivered in kind free of cost either (1) at the well(s) or (2) at the delivery point provided in Lessee's sales contract(s). Where gas is run through a separator or other equipment as provided in subparagraph (a) above, its value after having been run through such separator or other equipment shall be determined as specified herein.

(c) Subparagraphs (a) and (b) above, insofar as they are affected thereby, shall be subject to all valid and applicable laws and to all valid and enforceable rules, regulations or orders of any regulatory agency or authority.

(d) Royalties payable under this lease shall be made without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(e) Lessee shall use reasonable diligence to prevent the underground or above-ground waste of oil and gas and to avoid the physical waste of gas produced from the leased premises; Lessee shall pay Lessor a royalty of one-fourth (1/4th) of the market value on any oil or gas so wasted, but in no event shall such value be less than the market value for any oil and/or gas so wasted.

(f) If at any time there shall be a well or wells located on the lands covered hereby capable of producing gas and/or condensate from which gas and/or condensate is not sold or used, and while this lease is not otherwise being maintained by drilling or production, Lessee may pay to Lessor, as royalty for each such well a sum equal to \$1.00 per acre, the first payment to be made for each such well within ninety (90) days after each such well is shut in, or this lease ceases to be otherwise maintained by drilling or producing operations, whichever is the later date. In like manner, a subsequent payment may be made on the anniversary date of first such payment: and if such shut-in gas well royalties are paid or tendered as above provided, such well or wells, shall be considered to be producing gas and/or gas condensate in paying quantities under the terms of this lease, provided, however, this lease may not be maintained as to any acreage or well covered solely by the payment of shut-in gas well royalty for a cumulative total of more than two (2) consecutive years; however, the right to shut-in the well shall be a recurring right.

5. ~~Lessor may have gas-free-of-charge-of-any-surplus-gas-not-needed-for-operations-hereunder from any gas well on the leased premises for all stoves and inside lights in the principal dwelling house on said land during the term by making Lessor's own connections with the well at Lessor's own risk and expense, PROVIDED HOWEVER, that no royalty shall be due Lessor for any gas so furnished, and PROVIDED FURTHER, should the Lessor or its assigns engage in farming activities on the leased lands and require the use of fuel gas to carry on such operations, Lessee agrees to sell to Lessor, at the well head, at the then current market price, such fuel gas as Lessor or its assigns may require.~~

6. When Lessor is both mineral and surface owner:

(a) Lessee shall have free use of oil, gas and water from said land, except water from Lessor's well and tanks, for all operations hereunder, upon the above described land, including repressuring, pressure maintenance, cycling and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or within one hundred eighty (180) days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing, and all such property or fixtures not so removed within such time shall become the property of Lessor.

(b) When required by Lessor, Lessee will bury all pipelines at a minimum below plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of Lessor may be assigned in whole or in part. The rights of Lessee may be assigned so long as such assignment is not in conflict with the lease operations or any regulatory body, however, a

copy of such assignment shall be submitted by United States mail to Lessor within ninety (90) days of assignment date. The obligations of Lessee hereunder shall survive such assignment unless released by Lessor in writing prior to the termination of this Lease. The provisions hereof shall extend to the successors and assigns of the parties but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or its assigns. No such change or division in the ownership of the land or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting its chain of title from the original Lessor. In the event of any assignment of this lease as to a segregated portion of said land, shut-in gas royalty payments payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in payment by one shall not affect the rights of other leasehold owners hereunder.

8. Lessee's obligations as to surface:

(a) In the event geophysical exploratory operations are conducted under this lease, all shot holes will be kept a sufficient distance away from Lessor's water wells, so as not to cause any damage to such water wells, and Lessee shall promptly plug all shot holes with good and sufficient concrete plugs set below plow depth, to be filled with dirt on top of said plugs, the surface of the land to be restored substantially to the same condition as it was before the commencement of such operations.

(b) When Lessor is surface owner, Lessee will not cut or go over any fence or fences of Lessor at any time or in connection with any operation on the leased premises without first obtaining Lessor's express consent thereto in writing. If Lessor consents to the cutting of a fence, the cut must be made at the place designated by Lessor, and prior to cutting any fence of Lessor, Lessee will brace the existing fence adequately on both sides of the proposed cut so that there will be no slackening of the wires. If the cut in such fence is an outside fence of Lessor, promptly after making such cut Lessee shall install and maintain an adequate metal gate in such opening, which Lessee shall keep locked at all times when not in use, and if Lessor shall desire, Lessee shall also install and maintain a substantial iron cattleguard capable of turning cattle, which gate and cattleguard shall become the property of Lessor. If the cut in such fence is an inside fence of Lessor, Lessee shall install a substantial metal gate in such opening, which gate shall become the property of Lessor. Lessee shall promptly close all gates which Lessee, its agents, servants and/or employees may use in Lessee's operations on the leased premises, to prevent the escape of cattle or stock of Lessor through any open gates. Lessee further agrees to comply with all reasonable rules and regulations imposed by Lessor with regard to opening and closing and locking all such gates.

(c) Lessee shall promptly fence all pits and installations to prevent entry into such pits and installations by livestock. Within a reasonable time after the completion of drilling or reworking operations, but in any event, not to exceed the hundred eighty (180) days thereafter, Lessee shall remove all driller's mud and chemicals, level all dumps and mounds, fill all holes, pits, ditches and excavations, remove or burn all brush and debris, and remove all concrete blocks or other objects placed by it upon said land, or upon the terminated portion of such lease, as the case may be, and put the surface of the land, including grass, in substantially the same condition as it was before the commencement of such operations.

(d) Lessee shall at all times use reasonable care in all of the Lessee's operations on the premises of Lessor to prevent injury or damage to the cattle, livestock, buildings or other property of Lessor or Lessor's tenant situated on the surface of said land, or Lessor's water wells and tanks located thereon, and Lessee shall pay Lessor and Lessor's tenants for all actual damages to cattle, crops, buildings, livestock, fences, tanks, water wells, and without limitation, all other property of Lessor situated on the surface of the leased premises resulting from Lessee's operations on the leased premises.

(e) After cessation of its use of any water well drilled by Lessee on the leased premises, and prior to plugging or removing the casing therefrom, Lessee will tender its interest in any such water well or wells to Lessor, and if Lessor shall elect to accept same, such well and all casing therein shall be and become the property of Lessor without payment of any additional consideration therefor, provided, however, that Lessee shall have the right to use such well or wells at any time during the continuance of this lease in connection with any of Lessee's operations on the leased premises.

(f) Lessor shall have the right, personally or by representative, at Lessor's risk, to have access to the derrick floor with right to observe all operations on all wells drilled on the leased premises, with the right to inspect and take samples of all cores and cuttings, and the right to witness the taking of all electrical logs and drillstem tests, and Lessee shall, upon Lessor's written request, furnish Lessor with copies of all electrical logs taken, promptly after taking same, and copies of each well log promptly after completion of each well drilled on the leased premises. Lessee shall keep accurate records and Lessee agrees to divulge to Lessor true and correct information as requested by Lessor as to each well and the production therefrom, and Lessor shall have the right to examine all run tickets and to have full information as to production and runs, and copies of all run tickets upon request. Lessor agrees to keep all information disclosed by Lessee to Lessor or its representatives, employees, consultants, or agents confidential and all such information shall

remain the proprietary property of Lessee and as such shall not be traded, sold, or disclosed to any third party without Lessee's prior written consent, unless in furtherance of litigation between the parties.

(g) Lessee shall not allow any waste oil or salt water to flow over the surface of the leased premises, nor allow same to drain down any draws, drains, creeks, or ravines on the leased premises, and Lessee shall construct such salt water disposal pits or other disposal facilities as shall be necessary to confine and dispose of the salt water and waste oil and shall confine such waste oil and salt water to such disposal pits or other disposal facilities.

(h) During the drilling of any well, and/or while conducting any operations on said land, the premises will be kept by Lessee free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of its operations, Lessee shall restore the surface of the land to as near its original condition and contours as is practicable.

(i) Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries, and around the well itself so as to protect livestock against loss, damage or injury in compliance with the requirements of the state regulatory commission and/or any other regulatory body. Lessee shall be responsible for any loss resulting therefrom.

(j) In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the leased premises, Lessee agrees to drill such offset wells as a prudent operator would drill under the same or similar circumstances.

9. If Lessor's ownership interest in the above described land is less than the entire undivided fee mineral estate, than royalties and rents provided for herein shall be paid to Lessor only in the proportion which Lessor's interest, if any, bears to the whole and undivided fee mineral estate.

10. If after expiration of the primary term any producing well or wells on the leased premises ceases from any cause to produce in paying quantities from its respective horizon or horizons, if Lessee commences reworking operations therein within thirty (30) days after said production ceases, and prosecutes same diligently and in good faith without interruptions totaling more than sixty (60) days during such operations, and if such operations result in the production of oil and/or gas from said horizon or horizons, this Lease shall not terminate in regard to said horizon or horizons so long thereafter as oil and/or gas in paying quantities is produced therefrom.

11. In the event the commencement of drilling operations by Lessee on the leased premises is prevented, delayed, or interrupted by war, flood, force majeure, or as a result of the inability of Lessee to procure casing or other equipment to drill or complete any well or wells, or as a result of the inability of Lessee to procure permit to conduct such operations or as the result of any law, order, rule or regulation of any governmental authority, state or federal, it is agreed that upon Lessee's giving notice to Lessor and reasonably full particulars in writing, or by telegram, of the cause of such delay, prevention or interruption within a reasonable time after the occurrence of the cause relied upon, then the time for the commencement of drilling of such well shall be suspended during the continuance of the inability so caused, and for a period of ninety (90) days thereafter, but for no longer period, and limitation provisions herein provided shall be extended accordingly; provided, however, that nothing herein contained shall be construed to suspend or delay the time for the payment of shut-in gas well royalties or other payments payable under the provisions of this lease.

12. Lessor does not expressly or impliedly, warrant title to the leased premises; however, Lessor agrees that Lessee, at its option after Lessee has given Lessor sixty (60) days' written notice, may discharge any tax, mortgage or other lien upon the leased premises, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is further agreed that if Lessor owns an interest in the oil and gas in and under any of the leased premises less than the entire oil and gas fee simple estate, then the royalties and all other benefits to accrue or to be paid to Lessor hereunder as to such lands shall each be reduced to the proportion thereof which the mineral fee estate of Lessor in such lands bears to the entire mineral fee estate.

13. Provided that Lessee has compiled with its obligations under Paragraph 17, hereafter, Lessee shall have the right to surrender this Lease or all or any part of the leased premises to Lessor, its successors and assigns, by delivering or mailing a recordable release thereof to Lessor; provided, however, that surrender of this Lease shall not release Lessee from its obligations pursuant to Paragraph 17 (a) - (l) of this Lease. This provision in no way limits the rights of Lessor for lease cancellation and/or damages under the provisions of applicable federal, state or local laws.

14. Time is of the essence of this agreement.

15. Any notice or other communication required or permitted to be given hereunder shall be deemed sufficient if mailed by the party giving same to the other party by United States mail, at the address above recited, or to such other address as either party hereto shall designate by notice in writing to the other party.

16. All payments herein provided to be made to Lessor shall be made at: Shriners Hospitals for Children, c/o The Northern Turst Bank of Texas, P.O. Box 226270, Dallas, Texas 75222-6270.

17. (a) Lessee shall conduct no business or operations on the premises other than those described in this Oil and Gas Lease. Lessee shall, at its own cost and expense, comply with all Environmental Laws, whether Federal, State, County, City, local; Lessee shall comply with all applicable laws and regulations of any regulatory commission or body governing environmental matters.

(b) Concurrent with the execution of this Lease, and annually thereafter, Lessee shall provide Lessor, at its request, a list of all casualty and liability insurance policies which are then in effect or which have been in effect during the period Lessee has been in possession of the premises and a detailed description of the operations which Lessee is conducting, or plans in the future to conduct, on the Premises. Such description shall include a list of all Hazardous Materials which Lessee is handling or using, or plans in the future to handle or use, on the Premises. If Lessee is required by any Environmental Law to submit to any governmental agency a business plan or any list of chemicals or other substances used or present on the Premises, Lessee shall provide Lessor copies of such plans and/or lists at the same time they are submitted to such government agency.

(c) Lessee shall keep the Premises free of any lien imposed pursuant to any Environmental Law relating to the presence, Release or remediation of Hazardous Materials on the Premises or the presence, Release or remediation of Hazardous Materials generated, transported, or disposed of by Lessee at any site; "Hazardous Materials" and "Release" and all other environmental terms being defined under applicable law, whether Federal, State, County, City, Local, or regulatory commission.

(d) Lessee shall promptly provide Lessor with copies of all orders, notices of violations, information requests, correspondence, communications, permits, or agreements with any governmental authority or agency (federal, state or local) or any private entity relating in any way to any Environmental Law or the presence, Release, placement on or in the premises, or the generation, transportation, storage, treatment, or disposal at the Premises, of any Hazardous Material.

(e) Lessor and Lessor's agents and employees shall have the right to enter the Premises without prior notice, conduct appropriate tests and take samples for the purpose of ascertaining that Lessee is in compliance with its obligations under this Paragraph 17. Lessee shall cooperate with Lessor in such inspection and shall make its employees and records available to Lessor and Lessor's agents and employees in connection with such inspection.

(f) Upon written request by Lessor, Lessee shall perform appropriate tests of air, water and soil to demonstrate that Lessee complies with all Environmental Laws relating in any way to the presence of Hazardous Materials on the Premises and shall provide the results of such tests to Lessor.

(g) If the presence, Release, or placement on or in the Premises during the Term of this Lease, or the generation, transportation, storage, treatment, or disposal at the Premises during the Term of this Lease, of any Hazardous Material (A) gives rise to a claim (including, but not limited to, a claim for response action, remedial action, or removal action) under any Environmental Law or any common law theory based on nuisance or strict liability, or (B) causes or threatens to adversely affect public health or the environment, Lessee shall promptly take any and all remedial or removal action necessary to clean up the Premises and any contaminated soil, surface water, or ground water and to mitigate exposure to liability arising from the Hazardous Material, whether or not required by law.

(h) Lessee hereby releases and discharges, indemnifies and holds harmless Lessor, its directors, trustees, officers, employees, agents, attorneys, and assigns (hereinafter "Indemnitees") from and against any and all suits, claims, demands, causes of action, damages, consequential damages, losses, costs, and expenses of any kind whether known or unknown, which Lessee had, has, or at any time may have based on breach or failure to comply with (A) any environmental Law, whether Federal, State, County, Local, or through regulatory commissions; or regulation, or by reason of (B) any discharge, disposal, Release, or escape of any Hazardous Material or any chemical, product, by-product, waste, hazardous waste, hazardous substance, or any material whatsoever, on, at, to, or from the Premises (including all facilities, improvements, structures and equipment thereon, surface water thereon or adjacent thereto, and soil or ground water thereunder), and/or (C) any environmental conditions whatsoever on, under, or in the vicinity of the Premises, from the date of this Lease and so long as said Lease is in effect.

(i) Lessee shall indemnify, defend, and hold harmless Lessor from and against any and all damages, costs, losses, expenses (including, but not limited to, actual attorneys' fees and engineering fees)

arising from or attributable to any breach by Lessee of any of its warranties, representations, covenants, or obligations under this Lease.

(j) Lessee shall not dispose of any material especially Hazardous Materials, whatsoever on the Premises. All wastes removed from the Premises shall be disposed of by Lessee at Lessee's expense in compliance with all Environmental Laws.

(k) Lessee shall maintain in force at all times during the term of this Lease comprehensive general liability coverage in the amount of at least \$1,000,000.00 per occurrence, \$3,000,000.00 annual aggregate, or comparable self-insurance and certificates or confirmation of self-insurance limits prior to activity, providing coverage for bodily injury or property damage resulting from its operations on the premises, including sudden and accidental Releases of Hazardous Materials.

(l) In the event that Lessee breaches any of its obligations under this Lease, Lessor may: (A) terminate this Lease; (B) require Lessee to provide environmental remediation pursuant to paragraph (h) of this Paragraph 17; (C) declare a forfeiture of any of Lessee's environmental security deposits and use such funds to perform environmental remediation of the Premises. Lessee's obligations pursuant to paragraphs (g), (h), (i), and (j) of this Paragraph 17, shall survive termination of this Lease. Lessor's remedies provided by this paragraph shall be cumulative, and Lessor shall have any other remedies provided by this Lease or applicable law.

18. Lessee is hereby granted the right, at its option, to pool or unitize all or any part of said land of this Lease as to any or all minerals or horizons thereunder with other lands, lease or leases or portion or portions thereof, or mineral or horizon thereunder, so as to establish units containing not more than eighty (80) surface acres plus ten percent (10%) tolerance; provided, however, a unit may be established or an existing unit may be enlarged to contain not more than six hundred forty (640) acres plus ten percent (10%) tolerance, if unitized only as to gas or only as to gas and liquid hydrocarbons (condensate) which are not a liquid in the subsurface reservoir. If larger units are required, under any governmental rule or order, for the drilling or operation of a well as a regular location, or for obtaining maximum allowable, from any well to be drilled, drilling or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall file for record, in the appropriate records of the county in which the leased premises are situated, an instrument describing and designating the pooled acreage as a pooled unit and a copy of such recorded filing shall be submitted within fifteen (15) days to the Lessor. The unit shall become effective as provided in said instrument or, if said instrument makes no such provision, it shall become effective upon the date it is filed for record. Each of said options may be exercised by Lessee from time to time, and whether before or after production has been established either on said land or on the portion of said land included in the unit or on other land unitized therewith and any such unit may include any well to be drilled, being drilled or already completed. A unit established hereunder shall be valid and effective for all purposes of this Lease even though there may be land or mineral, royalty or leasehold interests in land within the unit which are not pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment or royalty, operations conducted under this lease. There shall be allocated to the land covered by this Lease included in any such unit that portion of the total production of unitized minerals from wells in the unit after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this Lease included in the unit bears to the total number of surface acres in the land. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the portion of said land covered hereby and included in such unit in the same manner as though produced from said land under the terms of this Lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of such unit shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this Lease. Neither shall it impair the right of Lessee to release from this Lease all or any portion of said land, except that Lessee may not so release as to lands that are within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to land within the unit. Lessee may dissolve any unit established hereunder by filing for record in the public office where this Lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. A copy of such recorded filing shall be submitted within fifteen (15) days to the Lessor. Subject to the provisions of this Paragraph 18, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. A unit may be so established, modified or dissolved during the life of this Lease, however, a copy of said unit being established, modified or dissolved during the life of this Lease shall be submitted within fifteen (15) days to Lessor with the nature of any change in Lessor's royalty interest percent of unit production.

IN WITNESS WHEREOF, this instrument has been executed as of the date above recited.

SHRINERS HOSPITALS FOR CHILDREN, LESSOR

By: _____

By: _____

Federal Tax I.D. #36-2193608

ACKNOWLEDGMENT (For use by Corporation)

State of Florida)

)ss.

County of Hillsborough)

On this _____ day of _____, A.D., 20____, before me personally appeared to me personally known, who, being by me duly sworn, did say that they are _____ of _____ Shriners Hospitals for Children _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by Authority of its Board of Directors, and said _____ and _____ acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and seal this _____ day of _____, A.D. 20____.

(SEAL)

My commission expires: _____ Notary Public

ACKNOWLEDGEMENT (For use by Lessee)

Received and acknowledged:

WITNESSES:

Shirley
Shirley J. Russell

LESSEE:

Suemar Exploration & Production, LLC

Charles James
Senior Landman

State of Texas) ss.
County/Parish of Nueces)

On this 26 day of March, A.D. 2007, before me personally appeared Charles A. James to me personally known, who, being by me duly sworn, did say that they/he are/is the Senior Landman and ~~that the seal affixed to said instrument is the corporate seal of said corporation by Authority of its Board of Directors, and said~~ Suemar Exploration & Production, LLC acknowledged said instrument to be the ~~free act and deed of said~~ corporation.

WITNESS my hand and seal this 26 day of March, A.D. 2007.

(SEAL)

Michelle Brown
Notary Public

My Commission Expires:

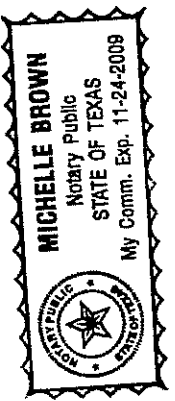


EXHIBIT "A"

To that certain Oil and Gas Lease dated March 24, 2007 by and between:

Shriners Hospitals for Children, "Lessor", and Suemaur Exploration & Production, LLC, "Lessee".

Tract 1: 80 acre of land, more or less, being described as lots 346 and 343 of the Kelly-Pharr Subdivision of Porciones 66, 67, 69 and 70 according to the map recorded in Volume 3, Pages 133 and 134 of the Deed Records of Hidalgo County, Texas and being more fully described in that certain Mineral Deed dated April 3, 1953, from Paul Ford, Grantor to C.J. Griffin, Grantee, said Deed being Instrument Number 5980 recorded the 11th day of January, 1953, at 3:24 P.M. in the Deed Records of Hidalgo County, Texas.

Tract 2: 120 acres of land, more or less, being described as Lots 2, 7 and 8 of the A.J. McColl Subdivision, Hidalgo County, Texas, said land being more fully described in that certain Warranty Deed dated November 20, 1951, from C.J. Griffin, Grantor to J.F. Johns, Grantee, said Warranty Deed being Instrument Number 406 duly recorded the 11th day of January, 1951, at 1:26 P.M. in the records of Hidalgo County, Texas.

Signed for Identification:

Witnesses:

Shriners Hospitals for Children

Filed for Record on the 8th day of December
Duly Recorded this the 14th day of December
Instrument No. 18069

A. D. 1949 at 9:12 o'clock A. M.
A. D. 1949 at 2:07 o'clock P. M.
D. C. HOGAN, County Clerk

Hidalgo County, Texas

By M. Waterstradt Deputy.

1812b

The State of Texas,
County of Hidalgo

Know all Men by These Presents:

That, C. J. Griffin

hereinafter called Grantor, for and in consideration of the sum of ~~Twenty~~ **One and no/100 (\$1.00)** Dollars cash in hand paid by
Hidalgo County, Trustee, hereinafter called Grantee,

the receipt of which is hereby acknowledged, have granted, sold, conveyed, assigned and delivered, and by these presents do grant, sell, convey, assign and deliver, unto the said Grantee an undivided one fourth (1/4) interest in and to all of the oil royalty, gas royalty, and royalty in casinghead, gas gasoline, and royalty in other minerals in and under, and that may be produced and mined from the following described lands situated in the County of **Trustee** and State of Texas, to-wit:

Lot Two (2), Block Twelve (12), containing Forty-four and Nineteen One-hundredths (44.19) acres, McColl Subdivision of Porcion 68, Hidalgo County, Texas.

together with the right of ingress and egress at all times for purpose of mining, drilling and exploring said lands for oil, gas and other minerals and removing the same therefrom.

It is understood and agreed that this sale covers and includes one fourth (1/4) of all the oil royalty, and gas royalty and casinghead gas and gasoline royalty, and royalty from other minerals or products, due and to be paid under the terms of said leases. And it is further understood and agreed that notwithstanding the Grantee does not by these presents acquire any right to participate in the making of future oil and gas mining leases on the portion of said lands not at this date under lease, nor of participating in the making of future leases, should any existing or future leases for any reason become cancelled or forfeited, nor participating in the bonus or bonuses which Grantor herein shall receive for any future lease, nor for participating in any rental to be paid for the privilege of deferring the commencement of a well under any lease, now or hereafter; NEVERTHELESS, during the term of this grant, neither the Grantor nor the heirs, administrators, executors and assigns of the Grantor shall make or enter into any lease or contract, for the development of said land or any portion of same for oil, gas or other minerals, unless each and every such lease, contract, lease or contract, shall provide for at least a royalty on oil of the usual one-eighth to be delivered free of cost in the pipe line, and a royalty on natural gas on one-eighth of the value of same when sold or used off the premises or one-eighth of the net proceeds of such gas, and one-eighth of the net amount of gasoline manufactured from natural or casinghead gas, and in the event Grantor, or the heirs, administrators, executors and assigns of the Grantor, or us in the status of the fee owners of the land and minerals, or as the fee owner of any portion of said land shall operate and develop the minerals therein, Grantee herein shall own and be entitled to receive as a free royalty hereunder, (1) An undivided one thirty-second (1/32) of all the oil produced and saved from the premises delivered to Grantee's credit free of cost in the pipe line, (2) An undivided one thirty-second (1/32) interest and portion of the value of proceeds of the sales of natural gas when and while the same is used or sold off the premises, (3) A one thirty-second (1/32) of the net amount of gasoline or other products manufactured from gas or casinghead gas produced from wells situated on the premises, during the term hereof.

TO HAVE AND TO HOLD the above described property and rights, together with all and singular the rights and appurtenances thereto in any wise belonging, unto the said Grantee, and to Grantee's heirs, administrators, executors and assigns, forever; and Grantor does hereby bind **himself, his** heirs, administrators, executors and assigns, to warrant and forever defend all and singular, the said property and rights unto the said Grantee, and Grantee's heirs, administrators, executors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the following signatures, this the **30th** day of **November**, 19 **49**

C. J. Griffin

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF TARRANT

I, **C. J. Griffin**, a Notary Public in and for said County and State, on this day personally appeared

know to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the **30th** day of **November**, A. D. 19 **49**.

Notary Public
Notary Public in and for Tarrant County, Texas

11/30/1949

ALL
OAG 1051258

Filed for Record on the 8th day of December

A. D. 1949 1:45 P. M.

Duly Recorded this the 20th day of December

A. D. 1949 2:00 P. M.

Instrument No. 18125.

D. C. HOGAN, County Clerk

Hidalgo County, Texas

By *M. Waterstradt*

Deputy.

THE STATE OF TEXAS

COUNTY OF HIDALGO

KNOW ALL MEN BY THESE PRESENTS: 18203

That we, Cristina Rodriguez de Guerra, a widow, Oscar Guerra and wife, Herlinda Macias de Guerra, Francisco Guerra and wife, Maria de Jesus Martinez de Guerra, Herminia Guerra, single, Josefa Guerra de Cazares, Victorino Guerra and wife, Lydia Ochoa de Guerra, Esther Guerra de Fuentes and husband, Encarnacion Fuentes, Guadalupe Guerra de Palacios and husband, Jesus Garcia Palacios, Eleasar Guerra, single, Violeta Guerra de Cantu and husband, Federico Cantu, Cristina Guerra de Trevino and husband, Agustin Trevino Ortiz, and Gaspar Guerra Jr., single, all residents of Reynosa, Tamaulipas, Mexico, hereinafter styled "Grantors"; for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, to us in hand paid by Louis. L. Moure, hereinafter called Grantee, the receipt of which is hereby acknowledged and confessed,

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said Louis L. Moure, of the County of Hidalgo, State of Texas,

All of our undivided one third right, title and interest in and to all of the oil, gas and other minerals in and under the East Part of what is commonly known as Banco Don Juan Cross No. 155 in the South end of Forciones 69 and 70, Hidalgo County, Texas, said Banco being described by metes and bounds as follows, to-wit:

Commencing on the south line of the Kelly-Pharr Subdivision of Forciones 69 and 70, Hidalgo County, Texas, South 81 deg. 16' east, 1210.1 feet from the intersection of said line with the division line between Forciones 69 and 70, and being south 81 deg. 16' east, 3137.6 feet from the center of Pharr Road.

Thence, South 8 deg. 38' 30" west, 4791.2 feet to a point in the center of old channel of the Rio Grande River, abandoned by stream of said river and cut from Mexico by avulsion and abrupt change in course of said river during flood of September 1948.

Thence, with the center of said abandoned channel as follows: South 76 deg. 07' east, 320.0 feet; south 33 deg. 30' east, 21.0 feet to a point for a common north corner of the following described tracts of land and the point of beginning of the following surveys. And said East part of said Banco, being described as follows, to-wit:

Beginning at the point of beginning described above, same being the North-west corner hereof, thence with the abandoned channel of the Rio Grande river, as follows: South 33 deg. 30' east, 1577.0 feet; south 23 deg. east 2350.0 feet to the point of intersection of the center of said abandoned channel with the north line of new channel.

Thence, with the north line of said new channel, south 74 deg. 05' west, 838.2 feet to the point of intersection of said north line with the center of abandoned river channel.

Thence, with the center of said abandoned channel, north 86 deg. 09' west, 1406.8 feet to a point for the southwest corner hereof,

Thence, leaving said channel, north 6 deg. 15' east, with old fence a distance in all of 2516.1 feet to a point in the west line hereof,

Thence, continuing with said fence, north 6 deg. 49' east, 1122.0 feet to the point of beginning, containing 10,303 acres of land, more or less.

Together with the right of ingress and egress at all times for the purpose of mining, drilling and exploring said land for oil, gas and other minerals, and removing the said therefrom.

Said land being now under an oil and gas lease executed in favor of Nye & Farining Company, on or about November 3, 1948, it is understood and agreed that this sale is made subject to the terms of said lease and/or