

Board for Lease of University Lands
Application for Oil and Gas Lease Amendment – University Lands

TO: University Lands Accounting Office
P. O. Box 579
Austin, Texas 78767

Section 66.70, *Texas Education Code* provides for the amendment of Oil and Gas Lease covering University Lands to include certain provisions in the form adopted by the board at the time the lease is amended. The undersigned hereby applies for an amendment of Oil and Gas Lease No M-28706 (the "Lease") dated ~~2004~~ MAR. 31, 19 44, covering ^{JE} 1/4 (Part) of Section 24, Block 12, University Lands, 160 acres acres, Crockett County, Texas.

Enclosed is the fee of \$ _____.

(Effective May 20, 2004, for a limited time, the Board for Lease of University Lands voted to allow amendments without the payment of the usual fee. Contact Georgia Pruitt at (432) 688-0446 or via email at gpruitt@utsystem.edu to determine if the application should contain the \$500.00 fee).

This Application must be signed by a representative of each and every person or entity with a working interest in the Lease (collectively, "Lessee"). Lessee represents and certifies that all documents evidencing all rights in and to the Lease have been filed in the county or counties in which the leased premises are located and in the records of the Board of Regents of The University of Texas System. Ownership interests of Lessee are shown in the attached **Exhibit "A."**

Applications from
all WI owners
not received as
of this date.
05/05/06
KB
JUL 25 '05
KB
JUL 27 '05

Owner(s) of Lease or Authorized Representative(s)

By: Donald Brotherton

Print name: Donald Brotherton

Print title: President

Address: 3617 W. Shandon
Midland, Texas 79707

Date: July 22, 2005

POSTMARK RECEIVED

(Note: An application must be submitted for each lease to be amended. Add a page if necessary for additional owners' signatures.)

Exhibit "A"
to Application for Oil and Gas Lease Amendment – University Lands

| Lessee | Percent Interest Owned | Depth Limitations | Date of Document Creating the Interest |
|-------------------|------------------------|-------------------|--|
| Donald Brotherton | 100% W.I. | 2504' | June 4, 1981 |
| | | | |
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OFFICIAL

JUL 25 '04

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JUL 27 '04

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THE UNIVERSITY OF TEXAS SYSTEM
University Lands Accounting Office
 West Texas Operations
 P.O. Box 579, Austin, Texas 78767-0579

BRYCE BALES, CPA
 Assistant Director of
 University Lands, Accounting
 P.O. Box 579
 Austin, Texas 78767-0579

TEL: (512) 499-4700
 FAX: (512) 494-3328
 email: bbales@utsystem.edu
www.utlands.utsystem.edu

SECOND REQUEST

May 26, 2004

06/14/05 [Signature]

Attention: Land/Lease Records
 L & M Operating, Inc
 P.O. Box 846
 Big Lake, TX 76932-0846

RE: UT Lease No. 42985: E/2 Sec 17, Blk 48, Reagan Co. TX
 28706: SW/4 Sec 24, Blk 12, Crockett Co. TX

Attached please find a copy of the Lease Agreement pertaining to the above-described lease(s). Because your Lease Agreement does not contain a re-working provision as found in our more current lease forms, a cessation of production from the lease could result in its automatic termination. Since September 1955, every lease of University Lands has included a reworking provision, which provides that in the event of a cessation of production, the lease will not terminate so long as lessee commences additional drilling or reworking operations within sixty (60) days thereafter and those operations continue in good faith and in workmanlike manner without interruptions and result in the production of oil or gas. In order to preclude the risk of automatic termination of the lease in the event of a stoppage in production, and to provide certainty to the parties in the event of such a cessation, we recommend that you amend your Lease Agreement to add this provision.

Section 66.70 of the Texas Education Code provides for the amendment of an oil and gas lease to include certain provisions upon submission of an application and the related application fee. In addition to the 60-day reworking provision, the amendment also includes Shut-In Royalty and In-Kind Royalty provisions.

The Board for Lease of University Lands has voted to allow amendments of these old leases without the payment of the usual fees for a limited time. Should you be interested in taking advantage of the opportunity to amend your lease to include these provisions, or if you wish to discuss the procedures for and requirements of such amendment, please contact Georgia Pruitt via email at gpruitt@utsystem.edu, or by telephone at (432) 688-0446.

Any amendment of the lease would not affect your royalty obligations or other fees and payments as set out in your present lease.

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JUN 14 '05

JUN 17 '05

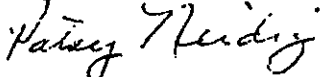
POSTMARK

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L & M Operating, Inc
May 26, 2004
Page 2

We hope that you will take advantage of this opportunity in order to avoid problems in the future.

Sincerely,



Patsy Neidig
Supervisor, Land Records and Revenue

PN/GLP/saw
Enclosure
(2004-7659)

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JUN 14 '05

JUN 17 '05

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Enclosed is the fee of \$ 0.00.

(Effective May 20, 2004 for a limited time, the Board for Lease of University Lands voted to allow amendments without the payment of the usual fee. Contact Georgia Pruitt at (432) 688-0446 or via email at gpruitt@utsystem.edu to determine if the application should contain the \$500 fee.)

This Application must be signed by a representative of each and every person or entity with a working interest in the Lease (collectively, "Lessee"). Lessee represents and certifies that all documents evidencing all rights in and to the Lease have been filed in the county or counties in which the leased premises are located and in the records of the Board of Regents of The University of Texas System. Ownership interests of Lessee are shown in the attached **Exhibit "A."**

Stowe Energy, Inc.
Owner(s) of Lease or Authorized Representative(s)
By: [Signature]
Print name: Grady Stowe
Print title: President
Address: P.O. Box 1380
Vernon, TX 76385
Date: 6/24/04

(Note: An application must be submitted for each lease to be amended. Add a page, if necessary for additional owners' signatures.)

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JUL 01 '04

JUL 06 '04

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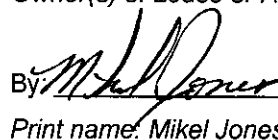
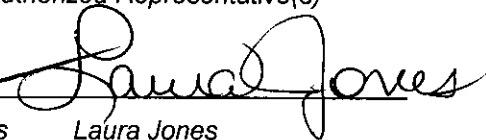
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Mikel & Laura Jones
Owner(s) of Lease or Authorized Representative(s)

By:  
Print name: Mikel Jones Laura Jones

Print title: working interest owners

Address: PO Box 805

Big Lake, TX 76932

Date: 6-21-04

(Note: An application must be submitted for each lease to be amended. Add a page if necessary for additional owners' signatures.)

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JUL 01 '04

JUL 06 '04

BOOKMARK

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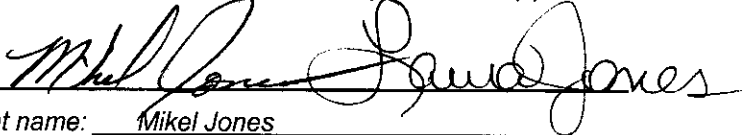
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T. L. J., Inc.
Owner(s) of Lease or Authorized Representative(s)

By: 

Print name: Mikel Jones

Print title: President

Address: PO Box 846

Big Lake, TX 76932

Date: 06-1-04

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Enclosed is the fee of \$ 0.00.

(Effective May 20, 2004 for a limited time, the Board for Lease of University Lands voted to allow amendments without the payment of the usual fee. Contact Georgia Pruitt at (432) 688-0446 or via email at gpruitt@utsystem.edu to determine if the application should contain the \$500 fee.)

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to Application for Oil and Gas Lease Amendment – University Lands

| Lessee | Percent Interest Owned | Depth Limitations | Date of Document Creating the Interest |
|---------------------|------------------------|-------------------|--|
| T. L. J., Inc. | 0.675 | 2500' | 06/09/94 |
| Stowe Energy, Inc | 0.225 | 2500' | 06/09/94 |
| Mikel & Laura Jones | 0.10 | 2500' | 12/01/94 |
| | | | |
| | | | |
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JUL 01 '04 **JUL 06 '04**
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|---------------------|------------------------|-------------------|--|
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| Stowe Energy, Inc. | 0.225 | 3500' | 06/09/94 |
| Mikel & Laura Jones | 0.10 | 3500' | 12/1/94 |
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