

**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.**

**MINERAL AND ROYALTY DEED**

**THE STATE OF TEXAS** ) (  
 ) (  
**COUNTY OF COCHRAN** ) (  
 ) (  
**KNOW ALL MEN BY THESE PRESENTS:**

1. That **HOWARD M. OWNER**, hereinafter referred to as Grantor (whether one or more), for Ten Dollars (\$10.00) and other valuable consideration paid by **SLATON RESOURCES, LLC**, whose address is PO BOX 77260, FT WORTH, TX 76177. hereinafter referred to as Grantee, the receipt of which is hereby acknowledged, has GRANTED, SOLD, and CONVEYED, and by these presents does hereby GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, forever, subject to the matters stated below, all of Grantor's undivided interest in and to all of the oil, gas, and other minerals, including without limitation, all of the oil royalty, gas royalty, overriding royalty, royalty in casinghead gas and gasoline in, on and under, and that may be produced from, the following lands (the "Lands"), to wit:

**ALL OIL, GAS AND OTHER MINERAL INTERESTS OR ROYALTY INTERESTS OWNED BY GRANTOR IN THE FOLLOWING DESCRIBED LANDS, INCLUDING WITHOUT LIMITATION ALL INTERESTS OF GRANTOR IN THE UNDERLYING OR RELATED TRACTS OR PARCELS OF LAND, WELLS, LEASES AND/OR UNITS REFERENCED, DESCRIBED AND/OR PLATTED AS FOLLOWS:**

<b>Well/Lease:</b>	<b>Abstract/Block/Survey:</b>	<b>Operator:</b>
JOHNSON LEASE, RRC:10521	AB 1515 / G / JONES CSL	SPECIFIC OPERATING CO, LTD.

**NOT WITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LANDS INDIVIDUALLY DESCRIBED ABOVE ARE SET OUT FOR THE CONVENIENCE OF THE PARTIES AND SHALL NOT BE INTERPRETED AS LIMITING THIS GRANT IN ANY WAY, IT BEING THE INTENT OF THE PARTIES THAT THIS DEED COVER ALL OIL, GAS AND MINERAL INTERESTS OR ROYALTY INTERESTS OF EVERY KIND AND CHARACTER OWNED BY GRANTOR WITHIN THE UNDERLYING OR RELATED TRACTS OR PARCELS OF LAND, WELLS, LEASES AND/OR UNITS, WHETHER OR NOT PARTICULARLY DESCRIBED ABOVE;**

2. The "Lands" subject to this conveyance also includes all strips, gores, roadways, water bottoms, and other lands adjacent to or contiguous with the lands specifically described above and owned or claimed by Grantor. If the description above proves incorrect in any respect or does not include these adjacent or contiguous lands, Grantor shall without additional consideration, execute, acknowledge, and deliver to Grantee its successors and assigns, such instruments as are useful or necessary to correct the description and evidence such correction in the appropriate public records.

3. **FOR THE SAME CONSIDERATION**, Grantor also sells, assigns, transfers, and conveys to Grantee, its successors and assigns, by this deed (i) the rights of ingress, egress, and possession at all times to mine, drill, and explore the Lands for oil, gas, and other minerals, and to produce, store, dehydrate, compress, treat, process, transport, market and remove them from the Lands, and to exercise all other rights lawfully belonging to the oil, gas, and mineral estate; (ii) each valid and subsisting oil, gas, and/or other mineral lease (the "Lease," whether one or more) evidenced in the public records of the above-named county, insofar as it covers the Lands (and this conveyance is made subject to each such Lease, insofar as it covers the Lands), together with all royalties, shut-in royalties, delay rentals paid to extend the term within which operations may be conducted on the Lands, and other rights and interests under each such Lease, insofar as it covers the Lands; (iii) without limitation, all royalties, oil payments, gas payments, production payments, pooling payments, escheated funds or payments, revenues, payments, accounts, suspended funds, refunds, interest on overdue payments, and other things of value payable by any lessee, operator, purchaser of production, seller of production, or other parties or party whatsoever, with respect to any oil, gas, and/or other minerals produced from, or attributable to the Lands before the date of this conveyance (including all such production in any tank, truck, rail car, or pipeline); (iv) all liens and security interests securing the payment of such sums; and (v) all rights, claims, and causes of action of Grantor with respect to such sums, including, without limitation, claims for the underpayment of past royalties; (vi) all of Grantor's future interests and after acquired title in and to the above described mineral and royalty interests (without limitation), insofar as they cover said Lands.

4. Grantee may, at its option and in addition to any other rights or remedies available to Grantee, pay all or part of any tax, note, or other obligation secured by a lien on the Lands, or any part of them or interest in them. If Grantee ever makes any such payment, or if any production, royalties, delay rentals, or other economic benefits of the estate conveyed by this instrument are ever applied by any lessee, purchaser of production, or other person to pay or discharge, in whole or in part, any tax, note, or other obligation secured by a lien on the Lands, or any part of them or any interest in them, Grantee shall be subrogated to, shall succeed to, and may enforce all of the rights of the affected lien holder to secure the recovery of the amounts paid, together with interest and attorneys' fees.

5. Without impairment of Grantee's rights under the warranty in event of failure of title, it is agreed that if this conveyance covers less interest in the oil, gas, sulphur, or other minerals in all or any part of said Lands than the entire and undivided fee simple estate (whether Grantor's interest is herein specified or not), or no interest therein, then the consideration shall be paid only in the proportion which the interest therein, if any, covered by this conveyance, bears to the whole and undivided fee simple estate therein.

6. In this instrument, "including" means "including, but not limited to"; "other minerals" include coal, lignite, uranium, sulphur, iron ore, and every other "mineral" now or hereafter recognized as such under the laws of Texas; the plural includes the singular, and vice versa; each gender includes the others; and references to "Grantor" includes "Grantors, or any of them".

7. **INDEMNITY:** By execution of this instrument, Grantor also authorizes and directs all persons responsible for paying and/or delivering the royalties subject to this instrument (the "subject royalties") to commence paying and/or delivering the subject royalties to Grantee in accordance with this instrument. Grantor warrants and represents to each such person and to that person's heirs, successors, assigns, and legal representatives that prior to making this conveyance, Grantor was the lawful owner of the subject royalties and that Grantor has not heretofore conveyed the subject royalties to any other person. Grantor shall indemnify and hold each person responsible for paying and/or delivering the subject royalties, and that person's heirs, successors, assigns, and legal representatives harmless from and against any lawful claims to the subject royalties by, through, or under Grantor.

8. **POWER OF ATTORNEY:** Coupled with the interest herein conveyed, Grantor does hereby irrevocably appoint and constitute Slaton Resources, LLC, as Grantor's Agent and Attorney-in-Fact for the limited purpose only of executing division orders, transfer orders, correction deeds or conveyances, amendments of description, amendments of Grantor's capacity, including typographical errors, and all other instruments as may be necessary for this conveyance of interest, so that Slaton Resources, LLC may act in Grantor's place and stead for this limited purpose only, and Slaton Resources, LLC is also given, through this provision, the authority to correct the description of the property being conveyed, if necessary, to show the actual description of all properties owned by Grantor as reflected by the County Records in which said properties are located. This is a Durable Power of Attorney and is not affected by the subsequent disability or incapacity of the principal.

9. Grantor acknowledges and agrees that Grantee has made no representation or warranty of any kind to Grantor to entice or encourage Grantor to execute this instrument and to receive consideration therefore. Grantor recognizes and acknowledges that the interest herein conveyed may be worth more or less than the consideration received by Grantor therefore, particularly in the event that drilling or production activity on the interest conveyed herein or in the vicinity thereof proves to be successful or not. Grantor recognizes and agrees that Grantor has given the opportunity to ask questions Grantor may desire of Grantee and that the responses thereto given by Grantee were satisfactory to Grantor. If any provision(s) of this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall remain valid.

10. **PARTIES AGREEMENT TO MEDIATION AND/OR ARBITRATION:** IN THE EVENT OF ANY DISPUTE (AS DEFINED HEREIN BELOW) ARISING OUT OF OR RELATING TO GRANTOR'S EXECUTION AND DELIVERY OF THIS CONTRACT, OR THE BREACH THEREOF, THE PARTIES FIRST AGREE TO PARTICIPATE IN AT LEAST FOUR (4) HOURS OF MEDIATION IN ACCORDANCE WITH THE COMMERCIAL MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, BEFORE HAVING RECOURSE TO ARBITRATION. If the mediation procedure provided for herein does not resolve any such dispute, the parties agree that all disputes between the parties shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its commercial arbitration rules and pursuant to the Federal Arbitration Act, 9 U.S.C. Sections 1-16 (and all amendments thereto, if any). Judgment upon the award rendered by the arbitrator may be entered in any Court having Jurisdiction. The term "dispute" shall include, but is not limited to, all claims, demands and causes of action of any nature, whether in contract or in tort, at law or in equity, or arising under or by virtue of any statute or regulation or judicial reason, that are now recognized by law or that may be created or recognized in the future, for resulting past, present and future personal injuries, contract damages, intentional and/or malicious conduct, actual and/or constructive fraud, statutory and/or common law fraud, class action suit, misrepresentations of any kind and/or character, liable, slander, negligence, gross negligence, and/or deceptive trade practices/consumer protection act damages, and for all other losses, damages and/or remedies of any kind and/or character, including without limitation, all actual damages, exemplary and punitive damages, all attorneys' fees, all penalties of any kind, prejudgment interest and costs of court by virtue of the matters alleged and/or matters arising between the parties. The award of the arbitrator issued pursuant hereto shall be final, binding and non-appealable.

**EXEMPLARY & PUNITIVE DAMAGES:** Parties hereby waive any rights to punitive or exemplary damages and the Arbitrator(s) will not have the authority to award exemplary or punitive damages to either party.

11. **CHOICE OF VENUE:** This contract is performable in Tarrant County, Texas. Any and all claims (without limitation) arising out of Grantor's execution of this contract, shall be resolved in Tarrant County, Texas.

12. This instrument may be executed in multiple counterparts. Each counterpart is an original, and all counterparts together are one and the same instrument. This instrument binds each person who executes it, regardless of whether any other person executes it.

13. **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 said Grantee, and the Grantee's heirs, successors, administrators, executors and assigns forever, and the Grantor does hereby bind himself and his, herself and her, itself and its, and/or themselves and their (as the case may be) heirs, successors, 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, successors, administrators, executors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

**THIS DOCUMENT AFFECTS YOUR LEGAL RIGHTS, PLEASE READ CAREFULLY OR SEEK LEGAL COUNSEL PRIOR TO SIGNING. GRANTOR REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS READ THE ENTIRE CONTRACT, OR HAS HAD IT READ TO HIM/HER/IT AND UNDERSTANDS AND AGREES TO THE TERMS OF THIS CONTRACT. NOTICE PURSUANT TO SB 436, CHAPTER 5, SUBCHAPTER F, OF THE TEXAS PROPERTY CODE: "BY EXECUTING AND DELIVERING THIS INSTRUMENT YOU ARE SELLING ALL OR A PORTION OF YOUR MINERAL OR ROYALTY INTEREST IN THE ABOVE REFERENCED PROPERTY IN COCHRAN COUNTY, TEXAS." BY EXECUTING AND DELIVERING THIS INSTRUMENT (WHETHER RECORDED IN THE COUNTY/PARISH OR UNRECORDED) GRANTOR HEREBY AUTHORIZES ANY AND ALL OPERATORS, LESSEES, GATHERING COMPANIES OR PURCHASERS OF PRODUCTION, TO RELEASE THE FOLLOWING INFORMATION TO GRANTEE, GRANTEE'S AGENTS, HEIRS OR ASSIGNS: GRANTOR'S OWNERSHIP INTERESTS, INCLUDING GRANTOR'S DECIMAL INTEREST, NET/GROSS ACRES, PAYMENT HISTORY, LEGAL DESCRIPTIONS, UNIT OWNERSHIP AND BOUNDARIES, SUSPENSE ACCOUNTS AND ALL OTHER INFORMATION REGARDING GRANTOR'S OWNERSHIP INTERESTS, WITHOUT LIMITATION, AND AS REQUESTED BY GRANTEE.**

Witness the following signatures, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

X  
\_\_\_\_\_  
**HOWARD M. OWNER**

THE STATE OF \_\_\_\_\_ ) ( \_\_\_\_\_  
 ) ( **ACKNOWLEDGEMENT**  
COUNTY OF \_\_\_\_\_ ) ( \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she, being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20\_\_\_\_\_.

(notary seal here)

My Commission Expires: \_\_\_\_\_  
Notary Signature Here  
Notary Public in and for the State of \_\_\_\_\_

Please visit our website:  
**www.slatonresources.com**

After recording please return to:

SLATON RESOURCES, LLC  
P.O. Box 77260  
Fort Worth, TX 76177-9998