

DEC 21 1979

MICHAEL RODAK, JR., CLERK

No. **86** Original

**In the
Supreme Court of the United States**

October Term, 1979

STATE OF LOUISIANA,

Plaintiff,

V.

STATE OF MISSISSIPPI, ET AL.

Defendants

**APPENDICES A, B AND C TO
MOTION TO FILE COMPLAINT, COMPLAINT
AND APPLICATION FOR STAY ORDER,
AND BRIEF IN SUPPORT OF MO-
TION, COMPLAINT AND APPLI-
CATION FOR STAY ORDER**

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State of Louisiana

July 13, 1990
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EXHIBIT A

CERTIFICATE

OFFICE OF THE
ATTORNEY GENERAL
LANDS AND NATURAL RESOURCES
SECTION

I, WILLIAM C. HULS, Secretary of the Department of Natural Resources and Custodian of the Records of the State Mineral Board as maintained in the Office of Mineral Resources, do hereby certify that the attached are true copies of the original records of the State Mineral Board.

Signed this day of August 9, 1979, in the
City of Baton Rouge, State of Louisiana.



William C. Huls, Secretary of the Department of
Natural Resources

Under the authority of Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, the State Mineral Board of the State of Louisiana advertised for bids for an oil, gas, and mining lease on the hereinafter described property; and,

WHEREAS, in response to the necessary regular advertisements, bids were received and duly opened in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana on the 8th day of July, 1970, at a meeting of the State Mineral Board of the State of Louisiana; and,

WHEREAS, by resolution duly adopted, the State Mineral Board accepted the bid of Dave Gammill

whose mailing address is Suite 408, 236 Building, P. O. Box 92, Jackson, Mississippi 39205

(hereinafter referred to as "Lessee") as being the most advantageous to the State of Louisiana:

NOW, THEREFORE, be it known and remembered that the State Mineral Board of the State of Louisiana (hereinafter referred to as "the Board"), acting under authority of said Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, and acting for and in behalf of the State of Louisiana, as Lessor, does hereby lease, let, and grant exclusively unto the said Lessee, and Lessee's successors and assigns, the below described property for the purpose of exploring by any method, including but not limited to, geophysical and geological exploration for formations or structures and prospecting and drilling for, mining, and producing sulphur, potash, oil, gas, and any other liquid or gaseous hydrocarbon minerals. In connection therewith Lessee shall have the right to use so much of the property as may be reasonably necessary for such operations, including but not limited to: storing minerals and fluids in facilities or by means other than subsurface storage; laying pipelines; dredging canals; and building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines, houses for employees, and other structures and facilities. The leased property, situated in the Parish of Concordia, State of Louisiana, is more fully described as follows:

ENTIRE TRACT NO. 11645, Said Tract No. 11645 being described as follows:

TRACT 11645 - Concordia Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of the Mississippi River, and all other water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on April 6, 1970, situated in Concordia Parish, Louisiana, within the following described boundaries: That portion of the bed and bottom of the Mississippi River belonging to the State of Louisiana, being bounded on the North by an East-West line having a Lambert Plane Coordinate of Y = 352,400.00 and on the South by an East-West line having a Lambert Plane Coordinate of Y = 347,200.00, Concordia Parish, Louisiana, estimated to contain approximately 310 acres, all more fully shown outlined in red on a plat on file in the State Land Office. All bearings are based on Louisiana Lambert Plane Coordinate System (North Zone).

(\$8,050.00) Dollars
as the full and adequate consideration for every right granted hereunder and not as mere rental for a period.

2. Subject to the other provisions hereof this lease shall be for a term of three (3) years from the date hereof (hereinafter called "primary term") and as long thereafter as sulphur, potash, oil, gas, or any other liquid or gaseous hydrocarbon mineral is produced hereunder in paying quantities or any operation is conducted, payment is made, or condition exists, which continues this lease in force, according to its terms.

3. If actual drilling or mining operations are not commenced hereunder on the leased premises in good faith on or before one year from the date hereof, this lease shall then terminate unless Lessee on or before the expiration of that period shall pay or tender to the Lessor the sum of Four Thousand, Thirty and No/100ths
(\$4,030.00) Dollars

(hereinafter called "rental") which shall extend for twelve (12) months the time within which drilling or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, all of Lessee's rights hereunder may be maintained without actual drilling or mining operations for successive periods of twelve (12) months each during the primary term. Payment or tender of rental may be made by check or draft of Lessee made payable to the order of Register, State Land Office and delivered or mailed by registered mail to the Register on or before the rental paying date.

4. (a) If on any rental paying date actual drilling or mining operations are being conducted on or production in paying quantities is being obtained from the leased premises, no rental shall be due for the annual rental period then commencing; if actual drilling or mining operations be abandoned at any time within a period of ninety (90) days prior to any rental paying date or if production ceases within such ninety (90) days, Lessee shall have a period of ninety (90) days after the date of such abandonment of operations or cessation of production within which to commence or resume production, commence actual mining operations or actual drilling operations on the leased premises, or make the rental payment, and the commencement or resumption of production, commencement of such operations, or payment of rental within the ninety (90) day period shall have the same effect as though resumed, commenced, or paid on or before the rental paying date.

(b) If at the expiration of the primary term sulphur, potash, oil, gas, or any other liquid or gaseous hydrocarbon mineral is not being produced hereunder but on or before that date (or on or before the end of ninety (90) days following cessation of production or abandonment of a well, if a well be abandoned or production should cease

within ninety (90) days prior to the expiration of the primary term) Lessee commences actual drilling, mining, or reworking operations on the leased premises in an effort to make the premises produce any such products (or production is commenced or resumed during such ninety (90) day period), then this lease shall continue in force so long as such operations are being conducted in good faith without lapse of more than ninety (90) days between the commencement of such operations and the commencement of production. If at any time during the primary term or thereafter after the expiration of the primary term production hereunder should for any reason cease or terminate, Lessee shall have the right at any time within ninety (90) days from cessation of production to resume production or actual drilling, mining, or reworking operations in an effort to make the leased premises again produce any of such products, in which event this lease shall remain in force so long as such operations are continued as above provided. If as a result of any such operations, sulphur, potash, oil, gas, or any other liquid or gaseous hydrocarbon mineral be found and produced or the production of any of them be restored, this lease shall continue in force so long as any of them is produced hereunder in paying quantities or this lease is otherwise being maintained as herein provided.

(c) This lease may be maintained in force by directional drilling operations (deviation from vertical), in which event actual drilling operations shall be considered to have commenced on the leased premises when the drill stem penetrates beneath the surface of the leased premises.

(d) Wherever used in this lease, "actual drilling operations" means actual drilling (commenced by spudding in) of a new well, including sulphur wells, or the good faith deepening, sidetracking, or the plugging back or attempted recompletion in a separate interval of an existing well (all such operations being commenced by actual downhole operations); "mining operations" means actual excavation of a mine or quarry; and "reworking operations" means reconditioning, cleaning out, or otherwise attempting in good faith to establish, increase, or restore production in an existing well by downhole operations. Once commenced, any such operations shall be deemed to continue so long as they are conducted in good faith without lapse of more than ninety (90) days. Actual drilling operations or mining operations shall be deemed to terminate on the last day actual operations of any kind, such as drilling, testing, or installation of equipment are conducted in good faith for the purpose of attempting to discover minerals or to complete a well or mine as a producer. Reworking operations shall be deemed to terminate on the last day such operations are conducted in good faith for the purpose of establishing, increasing, or restoring production.

5. The obligations set forth in this Article are applicable only to wells drilled on (1) property which is not owned by Lessor or (2) property in which Lessor has no interest, and which in either instance is not part of a pooled unit containing all or any portion of the leased property. Such property is hereinafter described in this Article as "adjoining property."

(a) If at any time during or after the primary term there is completed on adjoining property a well located within six hundred and sixty (660) feet of the leased premises (or within any spacing or pooling unit distance greater than 660 feet established by the Commissioner of Conservation) and such well produces oil, gas, or other liquid or gaseous hydrocarbons in paying quantities for twenty (20) days (which need not be consecutive) during any period of thirty (30) days, or produces its monthly allowable during such thirty (30) day period, rebuttable presumptions will arise: (1) that the leased premises are thereby being drained; (2) that the leased premises are not being reasonably protected from drainage by any well or wells on the leased premises or land pooled therewith; and (3) that an offsetting well on the leased premises would be economically feasible. If Lessee is the operator of or has a working interest in the adjoining property, Lessee will begin operations for the drilling of a well on the leased premises upon expiration of ninety (90) days after the end of the above thirty (30) day period. In all other cases Lessee shall be required to begin operations only upon expiration of ninety (90) days after receipt of written notice from the Board of the expiration of the above thirty (30) day period. No offset well shall be necessary if, on or before the maturity date of the offset obligation or any deferred maturity date as hereinafter provided, any of the stated presumptions is rebutted or a unit for the well in question embracing all or part of the leased premises is formed by agreement with the Board or by order of the Commissioner of Conservation.

In lieu of commencing operations for an offset well as above provided, Lessee may, at Lessee's option, commence compensatory payments equal to the royalties herein provided, computed on one-half (1/2) of the oil, gas, or other liquid or gaseous hydrocarbons produced by the well in question on and after the date operations would have otherwise been commenced, value to be determined in accordance with the provisions of Article 6 of this lease. Such payments may be commenced on or before sixty (60) days after the date operations would otherwise have been commenced, but shall include any accrued compensatory payments. Thereafter, payments shall be due monthly in accordance with Article 6(i). Lessee shall not be in default in either commencing compensatory payments or in making further payments as above provided if despite due diligence Lessee is unable timely to obtain the production information on which such payments are to be based. In any such case, however, Lessee must on or before the due date of the payments, notify the Board in writing of Lessee's inability to make such payment, the reasons therefor, and Lessee's intent to make such payment at the earliest reasonable time. Compensatory payments may be continued, at Lessee's discretion, for not more than one year from the date on which offset operations would otherwise have been commenced. At the end of that time, or within 30 days from the end of any lesser period for which payments are made, Lessee shall comply with this offset obligation if the producing well continues to produce in paying quantities or to produce its allowable and the other conditions making this obligation operative are existent. The right to make compensatory payments is intended to permit Lessee to evaluate further the producing well, and the making of such payments shall not of itself be sufficient to maintain this lease in force and effect; however, the making of any such payments shall not prejudice Lessee's right to rebut any of the above enumerated presumptions.

(b) In addition to the specific offset drilling obligation above provided, Lessee agrees to drill any and all wells necessary to protect the leased premises from drainage of oil, gas, or other liquid or gaseous hydrocarbons by a well or wells on adjoining property or to take any other steps reasonably necessary to protect the leased premises against such drainage, including, but not limited to, obtaining the formation of appropriate drilling or production units. If Lessee is the operator of or has a working interest in any well on adjoining property Lessee shall be obligated to

begin operations for the drilling of a well on the leased premises or to take such other steps as may be reasonably necessary to protect the leased premises upon expiration of ninety (90) days from the time Lessee knows or reasonably should know that drainage is occurring. In all other cases, Lessee shall be obligated to begin such operations or take such other steps only upon the expiration of ninety (90) days after receipt of written notice from the Board.

(c) In those instances in which notice is expressly required under paragraph (a) or (b), above, damages, if due, shall be computed only from the date on which notice is received or, if Lessee commences compensatory payments, the date on which such payments are discontinued. In those instances in which there is no requirement of notice under (a) or (b), above, damages, if due, shall be computed from the time Lessee knew or reasonably should have known drainage was occurring. Written notice containing a demand for performance shall be necessary as a prerequisite to any action for cancellation of the lease by Lessor for nonperformance of any obligations of Lessee to protect the leased premises against drainage.

6. Lessee shall pay to Lessor as royalty:

(a) One-Sixth (1/6th) of the value, as hereinafter provided, of all oil, including condensate and other liquid hydrocarbons, produced and saved or utilized by methods considered ordinary production methods at the time of production. The value of such oil shall not be less than the average price for oil of like grade and quality posted for the field in which this lease is situated. If there is no price posted for the field in which this lease is situated, the value of such oil shall be not less than the average of prices posted for oil of like grade and quality for the three fields nearest to the field in which this lease is situated for which such prices are posted. If Lessee enters into an oil sales contract which, at the time of execution, provides for a price equal to or in excess of the appropriate average price referred to in the two preceding sentences, the price payable under the terms of the contract at the time such oil is run shall be the value of such oil, even though the appropriate average changes during the life of the contract; however, any such contract must have been prudently negotiated under the circumstances existing at the time of execution. If Lessee is unable, after diligent effort, to sell such oil for a price equal to or in excess of the appropriate average price and Lessee consequently negotiates a contract to sell such oil to an independent party at a lesser price, the value of such oil for the duration of any such contract (but not in excess of one year) shall be the price received by Lessee under such contract.

Lessee shall not make any deduction whatsoever for the cost of any operation, process, facility, or other item considered to be a production function or facility at the time such oil is run. Without limiting the foregoing sentence and without regard to classification as production costs or otherwise, the following costs are not to be deducted from the value of production: (1) costs incurred for gathering or transporting production in the field; (2) costs incurred for handling, treating, separating, or in any way processing production to make it marketable by methods considered ordinary at the time such oil is run; and (3) the cost of storage on the lease or in the field. The performance of any producing function or any function mentioned in clauses (2) and (3) of the foregoing sentence at a commingled facility in or outside the field in which this lease is situated shall not make the cost of any such function deductible.

If Lessee delivers such oil at a point outside the field in which this lease is situated, Lessee may deduct from the value of such oil the actual costs of transportation from the field to the point of delivery by means of facilities belonging to an independent party. If such transportation is by means of facilities owned by one other than an independent party, Lessee may deduct the actual cost of such transportation, but only if such cost is no greater than the fair value of the services performed; if actual cost is greater than fair value, the fair value shall determine the amount deductible; however, if the facilities used are regulated as a common carrier by a state or federal regulatory agency, the authorized tariff chargeable for the services rendered and paid by Lessee shall be deemed the fair value of such services. If such transportation is by means of any facilities owned by Lessee, Lessee may deduct from the value of production a reasonable sum for such services, computed as follows: the amount deductible shall include only (1) the direct cost of operation and maintenance, including cost of labor, direct supervision, fuel, supplies, ordinary repairs, and ad valorem taxes; and (2) depreciation of the facility computed over the estimated life of the field.

If Lessee receives any compensation for any function or process for which Lessee is responsible to Lessor without right to deduct costs, including, but not limited to, (1) handling, gathering, or transporting such oil, or (2) treating or processing such oil by ordinary methods to make it marketable, the amount of such compensation shall be added to the value of such oil when computing royalties. If Lessee is deducting costs for any functions for which he is also receiving compensation, deductions may be made only to the extent that they are in excess of any such compensation.

(b) One-Sixth (1/6th) of the value as hereinafter provided, of all gas, including casinghead gas, produced and saved or utilized by methods considered as ordinary production methods at the time of production. When such gas is sold by Lessee to an independent party under an arms' length contract prudently negotiated under the facts and circumstances existing at the time of its execution, the value of such gas and of gas utilized by Lessee shall be the price received by Lessee for such gas under the contract. If the purchaser is not an independent party but the contract would have been considered prudently negotiated under the facts and circumstances existing at the time of its execution if made with an independent party, then the value of the gas shall be the price received by Lessee under the contract; if the contract would not have been considered prudently negotiated if made with an independent party, the value of such gas shall be its fair value at the time of production but not less than the average of the prices paid for gas of like kind and quality from the field from which such gas is being produced, or if no gas is being sold from that field, the average of prices paid for gas of like kind and quality in the three nearest fields in which gas of like kind and quality is being sold, all comparisons to be with contracts made in the same market (either interstate or intrastate) and for the sale of similar quantities of gas. In all other cases the value of such gas shall be the average stated in the last clause of the preceding sentence.

Except as expressly permitted herein, Lessee shall not make any deduction whatsoever for the cost of any operation, process, facility, or other item considered to be a producing function at the time such gas is produced. Without limiting the foregoing sentence and without regard to classification as production costs or otherwise, the

Following costs are not to be deducted from the value of production: (1) costs incurred for gathering or transporting production in the field; or (2) costs incurred for dehydrating, decontaminating, or in any way processing production to make it marketable by methods considered ordinary at the time such gas is produced. The performance of any production function or any function mentioned in clause (2) of the foregoing sentence at a centralized facility located outside the field in which this lease is situated shall not make the cost of any such function deductible, whether incurred by Lessee as production costs or otherwise; Lessee may deduct costs incurred for compression of gas at a point in or adjacent to the field for insertion into a purchaser's line or into a line owned by Lessee or a carrier for transportation to a point of delivery outside the field.

If Lessee delivers such gas at a point outside the field in which this lease is situated, Lessee may deduct from the value of such gas a reasonable sum for transportation from the field to the point of delivery by means of facilities belonging to an independent party, not in excess of actual cost. If such transportation is by means of facilities owned by one other than an independent party, Lessee may deduct the actual cost of such transportation, but only if such cost is no greater than the fair value of the services performed; if actual cost is greater than fair value, the fair value shall determine the amount to be deducted. If such transportation is by means of any facilities owned by Lessee, Lessee may deduct from the value of production a reasonable sum for such services, computed as follows: the amount deductible shall include only (1) the direct cost of operation and maintenance, including cost of labor, direct supervision, fuel, supplies, ordinary repairs, and ad valorem taxes; and (2) depreciation of the facility computed over the estimated life of the field.

If Lessee receives any compensation for any function or process for which Lessee is responsible to Lessor without right to deduct costs, including but not limited to, (1) gathering or transporting such gas or (2) dehydrating, decontaminating, or in any way processing production to make it marketable, the amount of such compensation shall be added to the value of such gas when computing royalties. If Lessee is deducting costs for any functions for which he is also receiving compensation, deductions may be made only to the extent they are in excess of any such compensation.

(c) In addition to the separation of condensate or other liquid hydrocarbons from gas by ordinary production methods (as to which Lessor shall receive royalties above provided and for which separation no charge may be made by Lessee), gas produced hereunder, including casinghead gas, may be processed in a gasoline or other extraction plant in or serving the field, and products may be recovered therefrom either directly by Lessee or under contracts executed by Lessee. If Lessee enters into a contract for the processing of gas with an independent party or parties under which such party or parties retain in kind a portion of the products recovered from or attributed to such gas as consideration for processing, Lessee shall pay the royalty provided for gas in paragraph 6(b) based on the value, as hereinafter determined, of Lessee's share of such products under such contract. In all other cases Lessee shall pay the royalty provided for gas in paragraph 6(b) based on the value, as hereinafter determined, of the total products recovered, after deducting therefrom the costs of processing as specified below.

The value of such products (or Lessee's share thereof) in the cases above provided shall be the price or prices received by Lessee if sold under a contract or contracts prudently negotiated under the facts and circumstances existing at the time of execution with an independent party or parties. If such products are not sold to an independent party but are sold under a contract which would have been considered prudently negotiated if executed with an independent party, the value of such products (or Lessee's share thereof) shall be the price or prices received by Lessee. If such products are not sold to an independent party under a prudently negotiated contract or are sold to one other than an independent party under a contract which would not have been considered prudently negotiated if executed with an independent party, the value of the products shall be their fair market value at the plant at the time sold. The value of any such products (or Lessee's share thereof) not sold under any contracts shall be the fair market value at the plant for such products, or if no products are being sold at the plant, the average of the market values for like products of the same grade and quality at the three nearest plants at which such products are being sold.

When the cost of processing is not met by retention by the processor of a share of the products or in any other case in which Lessee is to deduct from the value of such products the cost of processing, the charges shall be determined as follows. If the gas is processed by an independent party or parties under a contract prudently negotiated under the facts and circumstances existing at the time of execution, the charges deducted shall be those provided in such contract. In all other cases, including processing by those other than an independent party or parties and those in which Lessee itself or in conjunction with others owns the plant, the charges should be determined by contract between Lessee and Lessor. In the absence of such a contract the charges to be deducted shall include only the proportionate part of: (1) the direct cost of operating and maintaining the plant, computed annually, including cost of labor and on site supervision, materials, supplies, and ordinary repairs; (2) plant fuel and shrinkage; (3) depreciation of the plant computed over the life or lives of the field or fields served by the plant, or by such other method as is agreed upon by Lessor and Lessee; and (4) ad valorem taxes.

In all of the cases provided for in this paragraph, Lessor shall be entitled to the royalty for gas provided in paragraph (b) of this Article based on the value of Lessee's share of the residue gas sold or otherwise disposed of after processing.

(d) If at any time or times (during or after the primary term) there is on the leased premises a well or wells capable of producing gas in paying quantities, but gas is not being used or marketed therefrom because of the otherwise maintained by separate operations or governmental restrictions and if this lease is not then being effect for a period of ninety (90) days after cessation of such production or such operations or the shutting in of such well. If, on or before the expiration of the ninety (90) day period, production or operations shall not have been commenced or resumed, Lessee, in order to maintain the lease in force thereafter, shall commence semi-annual payments to the Lessor at the rate and in the manner provided hereinbelow and thereby maintain the lease in full force and effect during the periods covered by such payments; however, if the ninety (90) day period should expire during the first year of the primary term or during any year for which a rental has previously been paid, the first payment shall not be required until the next anniversary date of the lease. The first payment shall be made on or before the expiration of the ninety (90) day period or the appropriate an-

anniversary date, as the case may be, and shall maintain this lease for six (6) months, commencing from the expiration of the ninety (90) day period to the anniversary date. Subsequent payments shall be made at six (6) month intervals thereafter (herein referred to as "shut-in payment dates"). Unless additional payment periods are earned as hereinafter provided, Lessee's right to make such payments shall continue for six (6) semi-annual periods (the total of which is twelve (12) months). Each shut-in payment shall be at least the rate of three dollars (\$3.00) per acre for the number of acres then covered by this lease, but no payment shall be less than two hundred dollars (\$200.00). Each payment shall maintain this lease in full force and effect for a period of six (6) months, and during each period for which a payment has been made, it shall be considered that gas is being produced hereunder for all purposes hereof, but especially under the provisions of Articles 2, 4, 7, and 9; however, if the provisions of this paragraph 6(d) are in conflict with those of any other articles hereof, the provisions of this paragraph shall be controlling.

If on any shut-in payment date, actual drilling or mining operations are being conducted on or actual production of oil, gas, or other mineral in paying quantities is being obtained from the leased premises, no shut-in payment shall be due until the next shut-in payment date; however, the running of the initial payment period shall not be suspended or interrupted, and the same shall be true of any extension of that period by additional shut-in periods earned as hereinafter provided.

The initial payment period may be extended in the following manner. Lessee may earn two (2) additional six (6) month shut-in payment periods beyond the initial payment period for each additional well drilled or completed after completion of the shut-in well on which the initial shut-in payment was made (whether such additional wells are dry holes, producers, or shut-in wells). To qualify as a well "completed" after the first shut-in well, the completion must be in another hole, and no more than one completion will be counted for each additional hole regardless of the number of sands in any such hole. The aggregate additional periods (hereinafter referred to as "additional periods") so earned shall not exceed a total of six (6). The first of any additional periods shall commence from the date on which the initial payment period would have expired and the initial payment period, thus extended, shall continue to run from that date, regardless whether Lessee is actually required to make any additional payments. The Board and Lessee may by mutual agreement provide for further six (6) month periods (hereinafter called "further periods") beyond the initial payment period and any extension thereof.

If the end of the initial payment period falls within the primary term of this lease and at a time when there is a remaining rental date which would permit Lessee to maintain this lease by payment of rentals, Lessee may commence or resume the payment of rentals on the next anniversary date of this lease or may maintain this lease by any other means permitted under paragraphs 4(a) and 4(c). If the end of the initial payment period or any extension thereof falls within the last year of the primary term, it shall be considered that production has ceased under the terms of paragraph 4(a), and no rental shall be due for the remainder of the primary term. If the end of the initial payment period, any extension thereof, and any further periods falls on or after the expiration date of the primary term and there are no operations or actual production sufficient to maintain this lease under the provisions of paragraphs 4(b) and 4(c), this lease shall terminate.

The provisions of this paragraph shall be applicable to any well with a gas/oil ratio such that the Commissioner of Conservation will not permit its operation without use or sale of the gas.

Tender or acceptance of a shut-in payment or payments shall not free Lessee of any obligation to develop this lease as a prudent operator or to exercise diligent efforts to obtain a market for the gas so discovered.

Four Dollars (\$4.00)

(e) _____ per long ton for all sulphur produced and saved.

(f) **Twenty Cents (20¢)** per ton for all potash produced and saved.

(g) **One-Sixth (1/6th)** of any and all other liquid or gaseous hydrocarbon minerals not specifically mentioned herein, said royalties to be delivered or paid as is the accepted custom in such matters.

(h) In all cases, Lessor's royalty shall be calculated and paid after deduction of all severance or production taxes.

(i) The first payment of royalty shall be made within 120 days following commencement of production from, or allocation of production to the leased premises. Thereafter, royalty on oil, including condensate and other liquid hydrocarbons, produced and saved at the well by ordinary production methods shall be paid by the 25th of each month for production of the previous month; and royalty on gas, including liquids or other products extracted or processed from gas other than by ordinary production methods, and on sulphur, potash, and other liquid or gaseous hydrocarbon minerals not specifically mentioned shall be paid on or before the 25th day of the second month following that in which produced or extracted or processed. Whenever Lessee is unable to make payments within the period so provided because of adverse claims, disputes, litigation, or other circumstance involving the title of Lessor or the extent of interest of Lessor, or whenever circumstances are such as to prevent Lessee from making payments within said periods, despite reasonable and diligent effort, Lessee shall not be required to make payments within said periods. In the event any royalty payment is not correctly or timely made, such royalty payment or unpaid portion thereof shall bear interest at the rate of six per cent per annum, beginning as of the date by which such payments should have been made and running until paid. The foregoing provisions for the payment of interest shall be in lieu of any right of Lessor to cancel the lease for nonpayment or incorrect payment of royalties, except in case of any deliberate and wrongful failure or refusal to pay such royalties after they become due as provided for above.

(j) For all purposes of this Article 6 "independent party" means a company, firm, or other business unit which is not: (1) a direct part of Lessee's corporate or other business structure; (2) a wholly owned or actually controlled subsidiary corporation or other business unit of Lessee; (3) a parent corporation of Lessee; or (4) a wholly owned or actually controlled subsidiary of Lessee's parent corporation.

7. (a) Lessee may surrender all or any portion or portions of the leased premises at any time this lease is in effect and thereby be relieved of all obligations thereafter accruing under this lease as to the portions surrendered; however, no partial release or surrender shall reduce or otherwise affect the amount of rentals provided for in Article 3 of this lease.

(b) In the event of completion or forfeiture of this lease by any, or any lease, retained under forty (40) acres around each well capable of or producing oil and one hundred sixty (160) acres around each well producing gas and around each shut-in well capable of producing gas in paying quantities (including wells drilled under this lease by directional drilling). If any well is then being worked on or being drilled, Lessee shall have the right to complete such operations, and in the event any such operations result in completion of a well capable of producing oil or gas in paying quantities, Lessee may retain acreage around each such well as above provided. Retained acreage around any well shall form as near a square tract as is practical. If any acreage covered by this lease shall have been included in a unit established by the Commissioner of Conservation, or by conventional agreement, or if any such acreage shall have been assigned to a producing or shut-in well under statewide allowable orders of the Commissioner and such acreage is actually being drained by the well or would be drained by it if the well were produced, Lessee may retain all the acreage included in such unit or units or so assigned for allowable purposes.

8. It is further agreed and understood that the rights of Lessee may be assigned or transferred in whole or in part, but no transfer, whether in whole or in part, of the leased premises shall be valid unless such transfer or assignment be approved by the Board.

9. Lessee may, with the consent and approval of the Board, pool or combine the acreage covered by this lease (or any portion thereof) with any other property, lease, or leases (or portions thereof). Operations on or production of minerals from, or the existence of a shut-in gas well on, any portion of a unit, including units created by the Commissioner of Conservation or by conventional agreement, in which all or any part of the leased premises is embraced shall have the same effect under the terms of this lease as if it had occurred on the leased premises.

10. Should Lessee apply or give notice of intent to apply to the Commissioner of Conservation for the creation of any unit or units which would include all or any portion of the leased premises, Lessee shall furnish the Secretary of the Board with a copy of the notice or application, each accompanying unit plat, and all other attached information either at the time the application is filed with the Commissioner or at the time required by applicable orders or regulations of the Commissioner for furnishing such information to any parties entitled to receive it, whichever is earlier. If a unit or units including all or any part of the leased premises are created by order of the Commissioner, Lessee shall submit to the Board a survey plat of each unit or units so created.

11. On request by the Board or authorized members of its staff Lessee shall furnish any or all of the following types of data relating to wells drilled on the leased premises or lands pooled therewith: (1) all wire line surveys in open or cased holes, including, but not limited to, all electrical and radio activity logs, porosity logs of all types, and directional surveys; (2) core descriptions of both sidewall samples and conventional cores; (3) drill stem and production test data; and (4) production data, current and cumulative, including oil, gas, and water production. However, if furnishing any specific type of data among those described in the preceding sentence will require Lessee to release confidential trade information detrimental to its competitive position, Lessee may withhold such specific data for a reasonable time; the term "reasonable time" shall not exceed (1) a maximum period of 18 months for data on wells drilled to a depth of less than 15,000 feet measured from the surface and (2) a maximum period of 2 years (a) for wells drilled to a depth in excess of 15,000 feet measured from the surface, and (b) for Zone 1 wells located on leases bordering the Zone 2 boundary. After the lapse of said reasonable period, Lessee, at its option, shall either release such data or make it available for examination and study by members of the Board's technical staff without releasing it from Lessee's custody. Any information furnished to the Board, or furnished to or examined and studied by the Board's technical staff, shall be retained in confidence. Nothing in this Article shall require that Lessee furnish or permit inspection of any interpretations of any of the types of data referred to above, and nothing herein shall be construed as requiring Lessee to secure any such data solely for the purposes of this Article.

12. Lessee shall have the right during or within one year after the life of this lease to remove all Lessee's property and equipment, including the right to draw and remove all casing.

13. If at any time Lessee is maintaining this lease by actual drilling, reworking, or mining operations or by actual production and Lessee is prevented from continuing or resuming such operations or production by major storm, major flood, or other similar natural disaster or by a major accident such as a blowout, fire, or explosion and if Lessee cannot by reason of any such occurrence maintain this lease on any rental date by continuing any such operations or production or cannot maintain this lease beyond the primary term by continuing such operations or production, this lease shall not terminate and no rental shall be due so long as Lessee is so prevented from continuing or resuming such operations or production and is making diligent efforts to eliminate the effect of such occurrence.

14. If on the date of this lease all or any portion of the leased premises is included in a unit established by order of the Commissioner of Conservation, Lessee agrees to pay royalty on all oil, gas, and other hydrocarbons produced and saved or utilized and attributable to the leased premises from the date of this lease regardless whether all development and operating costs chargeable to the leased premises have been paid.

THUS DONE, READ, ACCEPTED, AND SIGNED by the parties hereto in the presence of the respective undersigned witnesses, as of the 13 day of July, A.D. 1970 which shall be the date of this lease for all purposes.

Jeanette Martin Crow
Jeanette Martin Crow
Mildred B. Parker
Mildred B. Parker

STATE MINERAL BOARD

By: *Tom A. Leigh*, Chairman
For the State of Louisiana, Lessor

WITNESSES to the signature of Lessee:

Benton R. Vernon, Jr.
Benton R. Vernon, Jr.
Ann Tidwell
Ann Tidwell

James G. Connell
For Lessee

ACKNOWLEDGMENT FOR STATE MINERAL BOARD

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

Before me, the undersigned authority, personally came and appeared Jeanette Martin Crow, who by me being first duly sworn, deposed and said; That she is one of the witnesses to the execution of the foregoing instrument and that she saw Thomas W. Leigh sign said instrument as Chairman of the State Mineral Board for and on behalf of the State of Louisiana, in the presence of appearer and Mildred B. Parker, the other subscribing witness. Sworn to and subscribed before me on this the 13th day of July, 1970.

James G. Connell
Notary Public

ACKNOWLEDGMENT FOR CORPORATE LESSEE

STATE OF _____ OF _____
Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said; That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ execute said instrument as _____ of _____ as the free act and deed of said corporation in the presence of appearer and _____, the other subscribing witness. Sworn to and subscribed before me on this the _____ day of _____, 19____.

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL LESSEE

STATE OF MISSISSIPPI
COUNTY OF HINDS
Before me, the undersigned authority, personally came and appeared Benton R. Vernon, Jr., who by me being first duly sworn, deposed and said; That he is one of the witnesses to the execution of the foregoing instrument and that he saw James G. Connell execute said instrument as his own free act and deed in the presence of appearer and of Ann Tidwell, the other subscribing witness. Sworn to and subscribed before me on this the 20th day of July, 1970.

Norme Q. Bruns
Notary Public



CONCORDIA PARISH

S. L. 5544

13

Y=352,400.00

I-8-N R-10-E

14

TR 11645
310 Acres
JULY, 1970

LE POINT

Y=347,200.00

CUTOFF

OFFICIAL
STATE LAND OFFICE
DO NOT REMOVE

EXHIBIT B

In The Chancery Court of Adams County, Mississippi

Avery B. Dille, Jr.

Plaintiff

VS.

No. 28,592

Pruet & Hughes Company, (A Partnership), Henry W. Dille, Richard T. Dille, Chesley Pruet, Robert Mosbacher, Bruce Sciscoe, Dudley J. Hughes, Verne L. Culbertson, Benton R. Vernon, Jr., Dave Gammill, Bates Oil Corporation, R. E. Williams and the State of Louisiana

Defendants

**BILL OF COMPLAINT TO ESTABLISH
BOUNDARY LINE AND TO RECOVER OIL
ROYALTIES**

NOW COMES, Avery B. Dille, Jr., identical with A. B. Dille, Jr., and Avery Benjamin Dille, Jr., and files this his Bill of Complaint against Pruet & Hughes Company, (a Partnership), Henry W. Dille, identical with Henry Ward Dille, Richard T. Dille, identical with Richard Turner Dille, Chesley Pruet, Robert Mosbacher, Bruce Sciscoe, Dudley J. Hughes, Verne L. Culbertson, Benton R. Vernon, Jr., Dave Gammill, Bates Oil Corporation, R. E. Williams and The State of Louisiana, and would show unto the Court the following:

I

Your Complainant is an adult resident and citizen of Adams County, Mississippi.

II

The Defendant, Henry W. Dille, an adult non-resident of the State of Mississippi, is a citizen of the State of Texas, whose place of residence and Post Office Address is 9544 Desert Ridge Drive, El Paso, Texas 79910.

III

Richard T. Dille, is an adult non-resident of the State of Mississippi, residing in the Republic of France. The place of residence and Post Office Address of the said Richard T. Dille in France is unknown to your Complainant, after diligent search and inquiry, but he does receive mail addressed to him in care of Henry W. Dille, 9544 Desert Ridge Drive, El Paso, Texas 79910.

IV

Pruet & Hughes Company is a Mississippi Co-Partnership composed of Chesley Pruet and Dudley J. Hughes, both of whom are adults. Chesley Pruet is a resident of Hinds County, Mississippi. Dudley J. Hughes is a non-resident of Mississippi and is a resident citizen of Arkansas whose Post

Office Address is Post Office Box 31, El Dorado, Arkansas 71730.

V

The Defendant, Robert Mosbacher, an adult non-resident of the State of Mississippi, is a citizen of the State of Texas, whose Post Office Address is 21st Floor, Capital National Conoco Building, Houston, Texas 77002.

VI

The Defendant, Bruce Sciscoe, an adult non-resident of the State of Mississippi, is a citizen of the State of Louisiana whose Post Office Box is 867, Shreveport, Louisiana 71102.

VII

The Defendant, Verne L. Culbertson, is an adult resident of Hinds County, Mississippi.

VIII

The Defendant, Benton R. Vernon, Jr., is an adult resident of Hinds County, Mississippi.

IX

The Defendant, Dave Gammill, is an adult resident of Hinds County, Mississippi.

X

The Defendant, R. E. Williams, an adult non-resident of the State of Mississippi, is a citizen of the State of Tennessee whose Post Office Address is 402 Dupont Building, Memphis, Tennessee 38101.

XI

The Bates Oil Corporation is a corporation organized under the laws of the State of Delaware whose agent for service of process is the C. T. Corporation System, 118 N. Congress Street, Jackson, Mississippi 39205.

XII

The State of Louisiana is named as a Party Defendant hereto, and process may be served upon the State of Louisiana by serving the same on the Honorable William J. Guste, Jr., Attorney General, whose Post Office Address is Wooddale Tower, Suite 717, 1885 Wooddale Boulevard, Baton Rouge, Louisiana 70806.

XIII

The Complainant, herein, is the owner in fee simple, of the following described property lying and being in Adams County, Mississippi, described as follows:

“A part of the Elysian Field Plantation, formerly the property of A. B. Dille, Sr., being a certain tract or parcel of land containing 422 acres, more or less, designated as the A. B. Dille, Jr., tract on that certain map or plat prepared by Jordan, Kaiser & Sessions, Civil Engineers, in August 1969, a copy of which map or plat was attached to that certain deed executed by Henry W. Dille and Richard T. Dille dated September 6, 1969, and recorded in Book 11-J at Page 72, et seq. of the Land Deed Records of Adams County, Mississippi and which tract may be more particularly described as:

Beginning at the Northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, run along the boundary between Dille and Giles, North $85^{\circ} 12'$ West, for 2914.6 feet, thence North $81^{\circ} 54'$ West for 621.5 feet; thence North $84^{\circ} 36'$ West for 614.0 feet; and thence North $05^{\circ} 24'$ East for 33.0 feet to the Southeast corner of the Moses tract; thence along the boundary of said Moses tract, North $21^{\circ} 28'$ East for 2033.9 feet and North $80^{\circ} 00'$ West for 985 feet to the Mississippi River; thence in a generally northerly direction along the Mississippi River for 3100 feet, more or less, to the North boundary of Elysian Field; thence South $73^{\circ} 34'$ East along the north boundary of Elysian Field (a very old fence) for 2710 feet, more or less; thence South $70^{\circ} 08'$ East for 601.8 feet; thence South $16^{\circ} 13'$ West for 502.1 feet; thence South $14^{\circ} 12'$ West for 147.2 feet to the center of a bayou; thence in a general southerly and southeasterly direction along the center of said bayou for 4055 feet, more or less, to the center of Mammoth Bayou;

thence in a general southerly direction along the center of Mammoth Bayou for 380 feet, more or less, to the south boundary of Elysian Field, thence North 85° 55' West along the South boundary of Elysian Field 1765.8 feet to the point of beginning. Said within described tract containing 422 acres more or less, being a portion of Elysian Field situated in Township 8 North, Range 3 West, Adams County, Mississippi, together with all accretions and alluvion which have been added thereto as well as so much of the bed of the Mississippi River as lies between the bankline of the Mississippi River and the State line between the States of Mississippi and Louisiana, less and except, however, two-thirds of the oil, gas and other minerals in, on and under said lands.

XIV

(a) On the 20th day of January, 1971, Avery B. Dille, Jr., Complainant herein, executed an oil, gas and mineral lease to Dave Gammill which lease is recorded in Oil and Gas Book 147 at Page 353 of the Oil and Gas Records of Adams County, Mississippi. A copy of said lease is attached hereto marked as Exhibit "A", and made part hereof as if copied in full.

(b) On May 5, 1971, by instrument recorded in Box 147 at Page 359 of the Oil and Gas Records aforesaid, Dave Gammill assigned an 82% interest in said lease to the following parties and in the following proportions:

| | |
|-----------------------|---------|
| Chesley Pruet | 27.500% |
| Robert Mosbacher | 18.750% |
| Bruce Sciscoe | 9.375% |
| Dudley J. Hughes | 9.375% |
| Verne L. Culbertson | 5.000% |
| Benton R. Vernon, Jr. | 2.000% |

(c) On the 21st day of January, 1972, effective as of 7:00 A.M., January 1, 1972, by instrument recorded in Book 150 at Page 107 of the Oil and Gas Records of Adams County, Mississippi, Dave Gammill assigned to R. E. Williams all of his right, title and interest in and to the above leasehold estate, together with interest under other leases, reserving a production payment interest of \$225,000.00.

(d) By instrument dated the 25th day of January, 1972, effective as of 7:00 A.M., January 1, 1972, Verne L. Culbertson assigned to R. E. Williams all of his interest in and to said Oil and Gas lease reserving unto himself a production payment interest of \$62,500.00.

(e) By instrument dated the 28th day of January, 1972, effective as of 7:00 A.M., January 1, 1972, Benton R. Vernon, Jr. assigned to R. E. Williams all of his interest in and to said Oil and Gas lease reserving unto himself a production payment interest of \$25,000.00.

(f) On the 1st day of December, 1970, Pruet & Hughes Company (a co-partnership consisting of Chesley Pruet and Dudley J. Hughes) entered into an operating agreement recorded in Book 146 at Page 349 of the Oil and Gas Records of Adams

County, Mississippi with Pruet & Hughes Company as Operator with Chesley Pruet, Robert Mosbacher, Bruce Siscoe, Dudley J. Hughes, Dave Gammill, Benton R. Vernon, Jr., and Verne L. Culbertson executing the same as non-operators which agreement covered the lands owned by the Complainant and originally leased to Dave Gammill, as aforesaid. Under the terms of this agreement, Pruet & Hughes were designated to be the operators of the Dille lease with the responsibility for drilling and producing oil, gas and other minerals, selling the same and accounting to the Complainant and the non-operators listed above as well as all other mineral or leasehold owners for their proportionate interest in the oil, gas and other minerals which might be produced and sold from the lands of the Complainant.

(g) By instrument bearing date of the 22nd day of January, 1974, and recorded in Book 155 at Page 486 of the Oil and Gas Records of Adams County, Mississippi, Dudley J. Hughes assigned to Bates Oil Corporation out of the Avery B. Dille, Jr. lease to Dave Gammill aforesaid, Exhibit "A" hereto, an undivided .093750 gross working interest with a net revenue pay interest of .070312 in that certain producing unit containing 40 acres more or less for the well known as Pruet & Hughes Company-Dille Estate Number 1 insofar as said lease covers and affects the producing unit described as follows:

From the most easterly corner of Section 5, Township 7 North, Range 3 West, Adams County, Mississippi, go West along the north

boundary of Township 7 North, Range 3 West for 124.6 feet; thence North at right angles for 3123.1 feet to the point on the boundary between the State of Mississippi and the State of Louisiana for the point of beginning, being the southwest corner of within described tract. Thence from said point of beginning, go South 80° 00' West along the boundary between the Dille Lease and Moses Lease for 2314.46 feet; thence North 10° 00' East for 1017.34 feet; thence North 80° 00' West for 867.7 feet, more or less, to the thalweg of the Mississippi River, being the boundary between the State of Mississippi and the State of Louisiana; thence downstream along said boundary to the point of beginning. Said within described tract contains 40.0 acres.

XV

To the extent necessary, Complainant de-rains his title to the property described in Paragraph XIII as follows:

a. All of said property was conveyed to A. B. Dille by deed dated December 24, 1923, executed by Frank K. Dille and Julia W. Dille, his wife, which deed is recorded in Book 4-I, at Page 357 of the Land Deed Records of Adams County, Mississippi.

b. The said A. B. Dille, identical with Avery Benjamin Dille, died testate a resident of Adams County, Mississippi leaving his Last Will and Testament dated December 6, 1956, which will was duly probated and is recorded in Book 22 at Page 215 of Records of Wills in the office of the Chancery Clerk of Adams County, Mississippi. By the terms of said will the above described lands were devised

to his wife, Katherine Turner Dille.

c. The said Katherine Turner Dille, died testate a resident of Adams County, Mississippi leaving her Last Will and Testament dated December 6, 1956, which will is recorded in Book 24 at Page 279 of the Records of Wills in the office of the Chancery Clerk of Adams County, Mississippi. By the terms of said will the above described lands were devised to her three sons, Avery Benjamin Dille, Jr., Henry Ward Dille, and Richard Turner Dille.

d. By Partition deed executed by Henry W. Dille, Avery B. Dille, Jr., and Richard T. Dille, bearing date of the 6th day of September, 1969, and recorded in Book 11-J at Page 72 of the Land Deed Records of Adams County, Mississippi the aforesaid Henry W. Dille and Richard T. Dille conveyed to Complainant, Avery B. Dille, Jr., all of their undivided two-thirds interest in and to the above described property, excepting and reserving to themselves, however, all of their undivided two-thirds interest in and to the oil, gas and other minerals in, on and under the above land.

XVI

Complainant does not deraign his title beyond that shown for the reason that all Defendants, other than The State of Louisiana, received whatever title they claim under the lands owned by Complainant as described in Paragraph XIII above, from a common source. The State of Louisiana makes no claim of title to any part of

the Complainant's land lying in the State of Mississippi, and deraignment of title, therefore, is not made against the aforesaid State of Louisiana, the State of Louisiana being made the party hereto for the purpose of having Complainant's boundary line determined as being established by the Mississippi-Louisiana State line which is the middle of the navigable channel of the Mississippi River.

XVII

(a) On January 20, 1971, Henry W. Dille, individually and as Attorney-In-Fact for Richard T. Dille, executed an oil, gas and mineral lease to Dave Gammill recorded in Book 146 at Page 346 of the Oil and Gas Records of Adams County, Mississippi covering their two-thirds mineral interest. A copy of this lease is attached as Exhibit "B".

(b) Thereafter, this lease was assigned to the same parties and in the same proportions and by the same instruments as set out in Paragraph XIV sub-paragraphs (b) through (g) inclusive, reference to which is made to avoid prolixity.

XVIII

The Defendant, Pruet & Hughes Company, drilled an oil and gas well on the property owned by the Complainant designated as Dille Number 1, productive of oil, the approximate location of

said well being shown on plat attached hereto, marked Exhibit "C" and made a part hereof as fully as though herein copied in fill.

XIX

The aforesaid well, Dille Number 1, has been in continual production of oil and other minerals since the respective dates of completion.

XX

The State of Louisiana by Lease Number 5544, which is not of record in Adams County, Mississippi purported to lease to Pruet & Hughes Company a portion of the bed of the Mississippi River lying west of and contiguous to the submerged lands of the Complainant, Thereafter, Pruet & Hughes Company completed a well known as "State of Louisiana Well Number 3" on said leased properties. A plat showing the approximate location of said State Lease Well Number 3 is attached hereto marked Exhibit "D", and made a part hereof as fully as though herein copied in full. The aforesaid State Well Number 3 has been producing oil and gas since its completion, the completion date being unknown to your Complainant, but being approximately January 17, 1972. The surface location of said State of Louisiana Well Number 3 was made on the lands of Complainant in Adams County, Mississippi, and said well was drilled direction-

ally for the purpose of bottoming the well somewhere under the bed of the Mississippi River at a geographical location purportedly owned by the State of Louisiana.

XXI

Upon information and belief, Complainant alleges that said Louisiana State Lease Well Number 3 has continued to produce oil, gas or both continuously since its completion and that all royalties for production from said well have been paid, to the State of Louisiana. The Complainant is without information or knowledge as to the total amount of production, which has resulted from said well or the dollar value thereof, but this is known to Pruet & Hughes Company.

XXII

Complainant would show that the State line between the States of Mississippi and Louisiana, which is also the west boundary of Complainant's lands, is located in the submerged bed of the Mississippi River and is the sailing line of navigation, or the thalweg, of the river, and this State line shifts from time to time as the current of the Mississippi River moves eastward or westward and as the banks of the Mississippi River cave into the river or as the banks of the river are built up by the process of accretion. The plat attached hereto as Exhibit "E" shows the location

of said State line, designated by the word "thalweg", as it appeared as of 1964. Since 1964, however, the thalweg or sailing line or state line has been continually shifting westward. The steady movement of this state line in a western direction in front of the riparian lands of the Complainant was and is well known to the Defendants or, by the exercise of reasonable diligence, could have been ascertained, as all of this information is available through the offices of the Mississippi River Commission and the offices of the United States Corps of Engineers at Vicksburg, Mississippi.

The State line in 1964 is described as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared

by Austin B. Smith and attached to the certain boundary line agreement entered into by R. F. Learned & Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1964 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence South 68 degrees 12 minutes East 377 feet; thence North 22 degrees 02 minutes East 453.1 feet; thence North 12 degrees 52 minutes East 646.2 feet, thence North 9 degrees 36 minutes East 395.5 feet; thence North 7 degrees 47 minutes East 400 feet, more or less, to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXIII

Complainant would show that by 1972, the State line between the States of Mississippi and Louisiana, as indicated by the thalweg, had shifted to the geographical location as depicted on the map attached hereto as Exhibit "E", which line is indicated in green marked "1972". The geographical location of the 1972 State line location is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence

along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned & Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1972 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence South 68 degrees 12 minutes East 377 feet; thence North 3 degrees East 240 feet more or less, thence North 2 degrees 400 feet more or less; thence North 1120 feet more or less to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXIV

By 1973, said State line had shifted further west and was then in the geographical location as shown on Exhibit "E" hereto, indicated by a purple line with the legend "1973". The geographical location of the 1973 State line is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned & Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1973 boundary between the

States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence South 68 degrees 12 minutes East 230 feet more or less; thence North 3 degrees 45 minutes East 400 feet more or less; thence North 1 degree 15 minutes West 1000 feet more or less, to the intersection of the Louisiana-Mississippi State line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXV

By 1975, said State line had shifted still further west and occupied the geographical location depicted on Exhibit "E" hereto depicted by a black line bearing the legend of "1975 thalweg" and the geographical location of the State line as of 1975 is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North

80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned and Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Lakd Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1975 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence North 3 degrees West 3075 feet more or less, to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr., "Elysian Field" tract.

XXVI

By 1976, said thalweg and State line had again shifted further west in front of the Complainant's lands and occupied the geographical position as shown on Exhibit "E", attached hereto depicted by a red line bearing the legend "July 1976 thalweg". The geographical location of the July 1976 State line is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet;

thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds West 150 feet more or less, thence North 1 degree 15 minutes East 3270 feet more or less, thence North 7 degrees 47 minutes East 400 feet; more or less, to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXVII

Under the laws and court decisions of the State of Mississippi, the owner of lands which are riparian to the Mississippi River also owns the bed of the river extending from the Mississippi bank line out to the adjoining State line, which in this instance is the State line of Mississippi-Louisiana. Therefore, as the State line migrated westward, Complainant's ownership of the bed of the Mississippi River and its underlying minerals followed the State line. This change of ownership resulting from the migration of the State line, was called to the attention of Defendant, Pruet & Hughes Company and was also called to the attention of the State of Louisiana by your Com-

plainant with demand being made by the Complainant that adjustments in royalty payments be made so that Complainant would be paid his proportionate part of the royalty attributable to his ownership of the bed of the Mississippi River as the same was enlarged by the migration westward of the thalweg or State line and between the States of Mississippi and Louisiana. In spite of said demands the Defendants, State of Louisiana and Pruet & Hughes Company have refused to honor the same and over the protest of Complainant Pruet & Hughes Company has continued to pay to the State of Louisiana all gas and oil royalties attributable to production through the drill hole from the State of Louisiana Lease 5544, Well Number 3, although said well is draining oil from the Complainant's lands, and the State of Louisiana has also refused to pay the same or any part thereof to Complainant although requested so to do.

XXVIII

Complainant would show that Pruet & Hughes Company and the State of Louisiana entered into an agreement through the Oil and Gas Board of the State of Louisiana establishing a forty acre producing unit surrounding the State of Louisiana Well Number 3. A copy of the Orders establishing this unit is attached hereto marked Exhibit "F". The Complainant was not a party to this proceeding and has never acquiesced therein.

This unit originally embraced only portions of the bed of the Mississippi River lying within the State of Louisiana but as the State line, which is the same as the sailing line of navigation, or the thalweg of the Mississippi River, moved westward, title to portions of the bed of the river, together with title to one-third of the minerals underlying the same became vested in Complainant. The Louisiana State Well Number 3, then commenced draining oil and gas from Complainant's lands, which drainage has continued to this day. As shown by Exhibit "E" the Louisiana State Well Number 3 is not bottomed entirely under the lands of Complainant.

XXIX

Complainant would show that by reason of such drainage a third of the royalties from State of Louisiana Well Number 3 attributable to Complainant's submerged lands should have been paid to him but the amount of said royalties, and the volume of oil and gas produced through said Louisiana State Well Number 3 is unknown to your Complainant but it is known to the Defendants, State of Louisiana and Pruet & Hughes Company. Complainant would show unto the Court that he is entitled to an accounting from the said Pruet & Hughes Company and The State of Louisiana of all oil and gas drained from his submerged lands which were produced through and drained by the aforesaid State of Louisiana

Well Number 3 and he is entitled to be paid the value of one-third of one-fourth thereof, together with interest.

XXX

Complainant would further show that it was and is the duty of the Defendant, Pruet & Hughes Company to pay to the rightful royalty owners such royalty owners' proportionate part of the oil and gas produced and the portion of such royalty payable to Complainant can be ascertained only by an annual determination of where the State line is located as between the State of Mississippi and the State of Louisiana. Complainant would show that the United States Engineers, Vicksburg District, make hydrographic studies of the bed of the Mississippi River annually, and these studies show and will show the location of the Mississippi-Louisiana State line as of the time of said hydrographic survey. Complainant is entitled to a mandatory injunction directing the Defendant, Pruet & Hughes Company in the future to make an annual determination of the location of the shifting State line between the States of Mississippi and Louisiana, based upon such studies, and to thereafter adjust the payment of royalties annually in accordance with the new location of the State line.

XXXI

Complainant would show that all of the Defendants, other than the State of Louisiana and

Pruet & Hughes Company also have an interest in the minerals and royalties underlying the bed of the Mississippi River lying between the shifting State line and the bank of the Mississippi shore and upon information and belief Complainant charges that the Defendant, Pruet & Hughes Company has not been paying these Defendants their proportionate part of the royalty and oil payments as set out in Paragraph XIV above. For the purpose of finally adjudicating all disputes as to the ownership of the royalties, oil payments and other payments that are due under the terms of the leases attached as Exhibits "A" and "B" hereto, your Complainant has named all of said parties having such an interest as Defendants to this proceeding and ask that they be realigned as Party Complainants.

XXXII

Complainant charges that the refusal of the Defendant, Pruet & Hughes Company to pay to Complainant his proportionate part of the royalties to which he is entitled as shown above, is a wilful and wanton disregard of the rights of Complainant and Complainant is entitled to punitive damages in the sum of \$100,000.00 and attorneys fees.

WHEREFORE PREMISES CONSIDERED,
Complainant respectfully prays:

1. That process be issued to the Defendants,

herein, requiring them to answer plead or demur to this complaint at the August term of this Honorable Court, answer under oath being waived.

2. That upon a final hearing Complainant be adjudicated to be the owner of one-third of the oil, gas and other minerals in, on and under that portion of the bed of the Mississippi River lying between his Mississippi bankline (left descending bank of the Mississippi River) and the State line between the States of Mississippi and Louisiana and that the State line locations be adjudicated to be those locations as described in Exhibit "E" to this complaint at the respective times shown.

3. That the Defendant, Pruet & Hughes Company, be required to make an accounting to this Court of all oil, gas and other minerals produced from the well known as State of Louisiana, Well Number 3, as well as any other wells which may be draining the lands of Complainant with the sales price received by it from the sale of said minerals, and that Complainant be paid one-third portion of the royalty from such production attributable to his ownership of the bed of the Mississippi River as the State line migrated westward.

4. That all Defendants other than Pruet & Hughes Company and the State of Louisiana be re-aligned as parties Complainant.

5. That upon final hearing a Decree be entered herein adjudicating the amount of indebtedness owed by Pruet & Hughes Company to this Complainant and that a judgment for said

amount with legal interest be entered in favor of your Complainant.

6. That a mandatory injunction be entered requiring the Defendant, Pruet & Hughes Company, in the future, to make annual redeterminations of the State line between the States of Mississippi and Louisiana and to adjust the royalties payable to Complainant accordingly.

7. Complainant demands judgment against the Defendant, Pruet & Hughes Company in the sum of \$100,000.00 together with reasonable attorneys fees and expenses, all as punitive damages.

8. If Complainant has asked for inadequate or insufficient relief, he prays for such other further and general relief to which he may be entitled in the premises, and as in duty bound he will ever pray.

WARD, MARTIN, TERRY
AND WAY
POST OFFICE BOX 789
VICKSBURG, MISSISSIPPI
39180

BY: _____
ATTORNEYS FOR COM-
PLAINANT

COMPLAINANT

STATE OF MISSISSIPPI
COUNTY OF ADAMS

PERSONALLY appeared before me, the undersigned Notary Public, in and for the jurisdiction above, Avery B. Dille, Jr., who being first duly sworn, deposes and states upon oath that he has read the foregoing Bill of Complaint and that the matters and things therein set out are true and correct, except as to those matters stated upon information and belief, and as to those he verily believes the same to be true.

AVERY B. DILLE, JR.

SWORN to and subscribed before me this the 19th day of June, 1979.

NOTARY PUBLIC

My Commission Expires:

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 20th day of January 1971, between
AVERY B. DILLER, JR.

Lessor (whether one or more) whose address is:
and DAVE GAMMILL, P. O. Box 92, Jackson, Mississippi 39205. Lessee. WITNESSETH:

1. Lessor in consideration of Ten and other good and valuable considerations Dollars
(), in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets
exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying
pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said
products, and housing his employees, the following described land in Adams County, Mississippi, to-wit:

120 acres as shown and signed for identification on the
attached plat marked Exhibit "A" to this Lease. Said
lands being a portion of the Elysian Fields Plantation
and being located in Township 8 North, Range 3 West,
Adams County, Mississippi.

* Paragraph No. 3 of this lease is hereby amended to read
one-quarter (1/4) royalty instead of the one-eighth (1/8)
royalty printed therein.

NOTWITHSTANDING the provisions of Paragraph 2, of this lease,
if upon the expiration of the primary term hereof, oil, gas or other minerals
are being produced from said land, this lease shall continue in force after
the primary term only so long as the Lessee shall conduct continuous drill-
ing operations, as the term is hereinafter defined, for oil, or gas, on said
lands or acreage pooled therewith. The term "continuous drilling operations"
as herein used means the commencement of actual drilling of a well within
six months after the expiration of the primary term hereof, and thereafter
drilling of wells with not more than six months elapsing between the comple-
tion of a well and the commencement of actual drilling of the next succeeding
well; each well drilled and completed on said land or acreage pooled therewith
by Lessee, whether or not productive, shall thus operate to extend the lease
in force in its entirety for a period of six months next following the date of
its completion; and provided, further, that the six months allowed between
the completion of one well and the commencement of actual drilling of another
well shall be accumulative as to two consecutive wells, that is, if a well is
commenced sooner than six months after the completion of the preceding
well, the time so saved shall be added to the six months allowed for commence-
ment of actual drilling of a subsequent well, but in no event to exceed a total
of twelve months. If and when Lessee shall fail or cease to conduct continuous
drilling operations upon said lands, as above defined, this lease shall there-
upon terminate in its entirety, save and except each producing unit, if any,
on which a well has been completed in accordance with the provisions of this
lease and from which well oil or gas is then being produced in paying quantities.

With reference to the Lessee's right of pooling and pooling rights
hereunder, the Lessee does covenant and agree that as to any and all acreage
pooled, and from time to time, the Lessee shall not have the right of pooling
unless at least fifty (50) percent of the lands comprising a drilling unit shall
consist of lands described under this lease are pooled in said unit or units, with
the royalty due Lessor hereunder. Notwithstanding anything to the contrary
contained in the printed form of this lease, it is further distinctly agreed
and understood that with reference to pooling rights, that the pooling of any
portion of the Lessor's land, and in the event of production with the land so
pooled, the same shall not have the effect of keeping this lease in force and
effect as to the remainder of Lessor's land hereby leased, but rather, shall
keep this lease in force and effect only as to the land of Lessor actually
pooled with other land on which there is a producing oil or gas well. It is
also understood and agreed that the fifty (50) percent pooling provision
described hereinabove may be reduced as to each drilling unit only upon
written consent of the Lessor.

With reference to Paragraph 3 of the printed form of this lease,
while there is a gas well or wells on this lease, or on acreage pooled therewith,
but gas is not being sold, the Lessee shall pay to Lessor the sum of Five
Dollars (\$5.00) per acre per year for each of such shut-in gas well
()

If there be any producing units so excepted from termination of this lease upon failure or cessation on the part of Lessee to conduct continuous drilling operations upon this land, as aforesaid, then this lease shall thereafter continue in force only insofar as it covers each prospective producing unit as long as, and not after, oil or gas is being produced in paying quantities from a well located upon such unit. Provided, however, that if production of oil or gas in paying quantities upon any aforesaid excepted producing unit or units,

should thereafter cease from any cause, and if Lessee commences additional drilling or reworking operations on such producing unit within sixty (60) days after such cessation of production, this lease shall remain in force, insofar as it covers such producing unit, as long as the same are prosecuted with reasonable diligence and with no cessation in any event more than sixty (60) days, and if it results in the production of oil or gas in paying quantities on a producing unit, then this lease insofar as it covers the particular unit in question, shall remain in force so long thereafter as such production of the kind above specified shall continue in paying quantities. If any of the hereinabove described terms and provisions of this lease are not complied with and upon written notice, Lessee or his assigns shall within sixty (60) days after receipt of said written notice re-lease to Lessor all of the lands included in this lease except said lands being in a producing unit as hereinabove described.

It is also agreed by and between Lessor and Lessee that for the use of the surface rights owned by Lessor, Lessee covenants and agrees to pay Lessor the sum of \$500.00 for each oil or gas well drilled upon the premises herein leased. Said payment to be made, in cash, five days before the commencement of drilling of any well upon the leased premises.

It is also agreed by and between the Lessor and Lessee that for the use of the surface of Lessor's land that Lessee agrees to pay Lessor the sum of \$150.00 per month to place tank batteries and treater sites upon the surface of Lessor's land and for the use of roads and roadways upon the surface of the Lessor's land, said payment to be made, in advance, on a monthly basis prior to the installation of any tank batteries or treaters upon the surface of the properties owned by Lessor; and Lessee further agrees to gravel and keep in proper repair all roads used by Lessee.

Lessee herein agrees that it shall and will, upon the completion of the drilling of any well hereunder, reasonably restore said premises to a satisfactory condition and will fence any and all pits for the protection of livestock; and Lessee further agrees to install a metal cattle gap, customarily used in the areas, at any boundary fence prior to moving a drilling rig upon the premises; and upon request by Lessor to Lessee to place suitable gates at any boundary fence and to keep the same locked at all times when not being used by Lessee.

In drilling any well or wells on the leased premises, the Lessee by its acceptance of the fruits of this lease covenants and agrees that he will use existing roads and roadways wherever and whenever feasible.

Lessee covenants that Lessee will conduct all drilling and producing operations in good and workmanlike manner. That Lessee will pay reasonable damages for crops, pastures and timber destroyed in such drilling or producing operations. That Lessee will control the disposal of salt water and pay reasonable damages for losses resulting to Lessor from the escape of oil or oily waste or salt water. That it will back-fill all pits and excavations when not otherwise used for drilling or producing operations hereunder and will otherwise restore the lands as near as practicable to the conditions in which the said lands were prior to such operations, reasonable uses for the purposes and during the time of such operations excepted. These covenants are in addition to all other covenants and conditions expressed or implied contained in the within oil, gas and mineral lease.

The warranty of paragraph (10) hereof is limited to such right title and interest as is held by Lessor, as shown by the Land Records in the Office of the Chancery Clerk of Adams County, Mississippi.

Lessee agrees to promptly pay the surface owner of the actual value of all timber felled by Lessee in the conduct of his operations hereunder.

In connection with any tank battery or treater site or sites to be placed upon the surface of Lessor's premises, it is agreed by and between the parties that all tank battery and treater sites shall be placed in an area where existing tank battery sites are now located if said production equipment can be located on the existing site or sites. If, according to the Lessee, or his Assigns, said production equipment cannot economically or reasonably be placed on any existing tank battery sites, then Lessee or his Assigns and Lessor shall mutually agree upon a more suitable tank battery site. Lessor shall not withhold his consent as to the location of any tank battery site or sites other than the existing tank battery site or sites, as long as Lessee or his Assigns have made a reasonable attempt to place said tank battery site or sites at a mutually agreeable location with the Lessor.

The Lessor shall have the right to use, free of cost, gas from any well producing gas, for heating Lessor's home and other general domestic use in any building now situated on said property, so long as Lessee or his Assigns do not actually need said gas for producing said well or wells. If said Lessor is using the gas for his hereinabove described needs and Lessee or his Assigns deems it necessary to use said gas in producing the well or wells, then Lessee or his assigns shall give Lessor written notice of such a need and Lessor will immediately dispense with the use of any such gas from the well or wells being produced. Lessor is to make connections with the well or wells and run any necessary pipe or pipes to Lessor's existing gas system, the use of said gas to be at Lessor's sole risk and expense.

SIGNED FOR IDENTIFICATION

AVERY B. DILLE, JR.

ADAMS
COUNTY.

120

Done

✱

(174)

unit involved.

XXXXXXXXXXXXXXXXXXXXX

7. Lessee shall have the right at any time during or 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. When required by Lessor, Lessee will bury all pipe lines below ordinary 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. Lessee shall be responsible for all damages caused by Lessee's operations hereunder other than damages necessarily caused by the exercise of the rights herein granted.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased, and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein; or, at Lessee's election, the proportionate part of said rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

te first above written.
 Avery B. Dille, Jr. (SEAL)
 (SEAL)
 (SEAL)
 (SEAL)
 (SEAL)
 (SEAL)
 (SEAL)
 (SEAL)

1954

NOTARY PUBLIC
AVERY B. DILLE, JR.

Given under my hand and seal of office, this 8th day of March, A. D., 1921

Notary Public, State of Florida

My commission expires: my commission expires December 31,

STATE OF MISSISSIPPI.

nty of _____ }

PERSONALLY APPEARED before me the undersigned.....

and for said County and State, the within named _____
 of the undersubscribed witnesses to the within and foregoing instrument, who being first duly sworn, deposeth and saith that he saw the within named _____

_____ , whose name _____

scribed the cto, sign and deliver the same to the said.....

he, this affiant, subscribed his name as a witness thereto in the presence of the said _____

.....and that he saw the other subscribing witness sign the same in the presence of said

That the witnesses signed in the presence of each other, on the day and year therein named.

Sworn to and subscribed before me, this the..... day of....., A. D., 19.....

Notary Public.

My conclusion: no explosives

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| 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|

EXHIBIT "A"

Oil, Gas and Mineral Lease
dated January 20, 1971
from Avery B. Dille, Jr. in favor
of Dave Gammill

BOOK 147, PAGE 353



RIVER

"Mississippi Power
& Light Co." 47 Ac.

LOUISIANA
MISSISSIPPI

David Junkin Ls.

1865

State of Louisiana Ls.

MISSISSIPPI

Dille Ls.

Acres

MOSES TRACT
"Pritchard"

Northeast Corner Section 21, T8N-R3W

Scale: 1" = 1000'

"CLERMONT PLANTATION"
"Giles"

STATE OF MISSISSIPPI,
ADAMS COUNTY

I, ROBERT E. BURNS, Clerk of the Chancery Court of said County, hereby certify that the foregoing instrument of writing
was filed in my office for record on the 7 day of JULY, 1971, at 4:00 o'clock

P.M., and duly recorded in OIL & GAS Book No. 147 Page 353

WITNESS my hand and Seal of said Court, this 7 day of JULY, 1971

Robert E. Burns
370 Adams County, MS

ROBERT E. BURNS, Clerk

_____ D. C.

3.60
M.S.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 20th day of JANUARY 1971, between
HENRY W. DILLE, Individually, and as Attorney-in-Fact for
RICHARD T. DILLE

EL PASO, TEXAS

44 Lessor (whether one or more) whose address is: DAVE GAMMILL, P. O. Box 92, Jackson, Mississippi Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other good and valuable considerations Dollars
10.00, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets
clusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying
pe lines, building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said
oducts, and housing its employees, the following described land in Adams County, Mississippi, to-wit:

120 Acres as shown and signed for identification on the
attached plat marked Exhibit "A" to this Lease. Said
lands being a portion of the Elysian Fields Plantation
and being located in Township 8 North, Range 3 West,
Adams County, Mississippi.

lease *7/4/71*

* Paragraph No. 3 of this/is hereby amended to read
one-quarter (1/4) royalty instead of the one-eighth
(1/8) royalty printed therein.

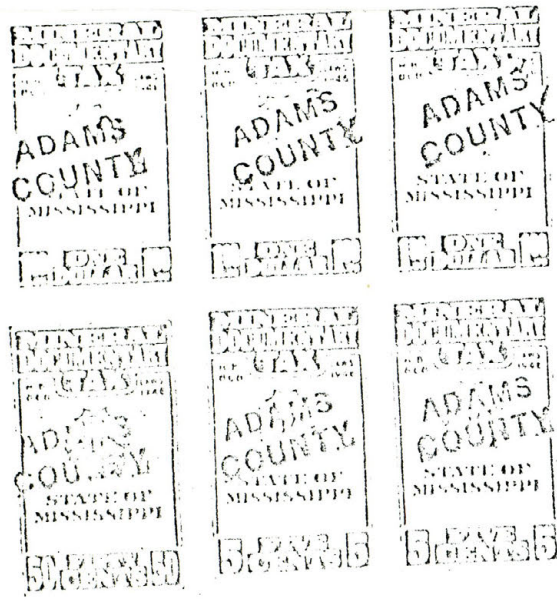
7/4/71 NOTWITHSTANDING the provisions of Paragraph 2, of this lease,
if upon the expiration of the primary term hereof, oil, gas or other minerals
are being produced from said land, this lease shall continue in force after
the primary term only so long as the Lessee shall conduct continuous drill-
ing operations, as the term is hereinafter defined, for oil, or gas, on said
lands or acreage pooled therewith. The term "continuous drilling operations"
as herein used means the commencement of actual drilling of a well within
six months after the expiration of the primary term hereof, and thereafter
drilling of wells with not more than six months elapsing between the comple-
tion of a well and the commencement of actual drilling of the next succeeding
well; each well drilled and completed on said land or acreage pooled therewith
by Lessee, whether or not productive, shall thus operate to extend the lease
in force in its entirety for a period of six months next following the date of
its completion; and provided, further, that the six months allowed between
the completion of one well and the commencement of actual drilling of another
well shall be accumulative as to two consecutive wells, that is, if a well is
commenced sooner than six months after the completion of the preceding
well, the time so saved shall be added to the six months allowed for commence-
ment of actual drilling of a subsequent well, but in no event to exceed a total
of twelve months. If and when Lessee shall fail or cease to conduct continuous
drilling operations upon said lands, as above defined, this lease shall there-
upon terminate in its entirety, save and except each producing unit, if any,
on which a well has been completed in accordance with the provisions of this
lease and from which well oil or gas is then being produced in paying quantities.

With reference to the Lessee's right of pooling and pooling rights hereunder, the Lessee does covenant and agree that as to any and all acreage pooled, and from time to time, the Lessee shall not have the right of pooling unless at least fifty (50) percent of the lands comprising a drilling unit shall consist of lands described under this lease are pooled in said unit or units, with the royalty due Lessor hereunder. Notwithstanding anything to the contrary contained in the printed form of this lease, it is further distinctly agreed and understood that with reference to pooling rights, that the pooling of any portion of the Lessor's land, and in the event of production with the land so pooled, the same shall not have the effect of keeping this lease in force and effect as to the remainder of Lessor's land hereby leased, but rather, shall keep this lease in force and effect only as to the land of Lessor actually pooled with other land on which there is a producing oil or gas well. It is also understood and agreed that the fifty (50) percent pooling provision described hereinabove may be reduced as to each drilling unit only upon written consent of the Lessor.

With reference to Paragraph 3 of the printed form of this lease, while there is a gas well or wells on this lease, or on acreage pooled therewith, but gas is not being sold, the Lessee shall pay to Lessor the sum of Five Hundred Dollars (\$500.00) per well per year for each of such shut-in gas well or wells.

If there be any producing units so excepted from termination of this lease upon failure or cessation on the part of Lessee to conduct continuous drilling operations upon this land, as aforesaid, then this lease shall thereafter continue in force only insofar as it covers each prospective producing unit as long as, and not after, oil or gas is being produced in paying quantities from a well located upon such unit. Provided, however, that if production of oil or gas in paying quantities upon any aforesaid excepted producing unit or units,

should thereafter cease from any cause, and if Lessee commences additional drilling or reworking operations on such producing unit within sixty (60) days after such cessation of production, this lease shall remain in force, insofar as it covers such producing unit, as long as the same are prosecuted with reasonable diligence and with no cessation in any event more than sixty (60) days, and if it results in the production of oil or gas in paying quantities on a producing unit, then this lease insofar as it covers the particular unit in question, shall remain in force so long thereafter as such production of the kind above specified shall continue in paying quantities. If any of the hereinabove described terms and provisions of this lease are not complied with and upon written notice, Lessee or his assigns shall within sixty (60) days after receipt of said written notice release to Lessor all of the lands included in this lease except said lands being in a producing unit as hereinabove described.



SIGN FOR IDENTIFICATION

Henry W. Dille
HENRY W. DILLE

Henry W. Dille
HENRY W. DILLE as Attorney-in-Fact for RICHARD T. DILLE

BOOK 1210 PAGE 343

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said section or exclusive grant or grants, or in adjacent sections or grants, although not included within the boundaries of the land particularly described above, and is estimated to comprise 120 acres.

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 120 acres, whether it actually comprises more or less. one (1) year from this date (called "primary term") and as long as there is oil or gas production in paying quantities from the land.

whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of 25 years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or lands within which said land is pooled hereunder.

3. The proceeds of that produced and saved from said land, the same to be delivered at the wells or

3. The royalties to be paid by Lessee are: (a) on oil, 25.00% of that produced and saved from said land, the same to be delivered at the wells or thereafter as oil, gas or other minerals produced from said land or lands with which said land is pooled hereunder, (b) on gas, the same to be delivered at the wells or thereafter as oil, gas or other minerals produced from said land or lands with which said land is pooled hereunder, and (c) on other gaseous substances, the same to be delivered at the wells or thereafter as oil, gas or other minerals produced from said land or lands with which said land is pooled hereunder.

to the credit of Lessor into the pipeline for conveying for the field where sold on the date of purchase. In either case, when mineral is produced, the market value of the gas shall be payable to the owner of the gas, whether or not the gas is sold or used off the premises or in the manufacture of gasoline or other products, as follows: (a) on gas, including casinghead gas, produced from a well or land sold or used off the premises or in the manufacture of gasoline or other products, the royalty shall be 50% of the amount realized from such sale; and (b) on gas sold or used, provided that on gas sold at the wells the royalty shall be 50% of the amount realized from such sale, and if such payment is made it will be considered that the gas from a well is not sold or used. Lessee may pay as royalty \$100.00 per well per acre for the production of oil, gas, or other minerals mined and marketed, one-tenth either in kind or value where gas is being produced within the meaning of Paragraph 2 hereof; and (c) on oil, gas, or other minerals mined and marketed, the royalty shall be fifty cents (50c) per long ton. Lessee shall have the right to use, for all operations hereunder, and the royalty on oil, gas and water from a well or mine, at Lessee's election, except that on sulphur mined and marketed, the royalty shall be fifty cents (50c) per long ton. Lessee shall have the free use of oil, gas, coal, wood and water from said land, and shall have the privilege at his risk and expense of using gas from any well on said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder. If the royalty on gas is paid in kind, the royalty on oil, gas and water shall be computed after deducting any taxes and expenses incurred by Lessee in the production of the gas. Lessee shall have the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land for the purpose of developing and producing oil, gas and water therefrom.

4. Lessee, at its option, is hereby given the right and power to pool, or combine the acreage covered by this lease or any portion thereof with other land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder. If production is found in the unit, Lessee shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit 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. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

[illegible]

6. If prior to discovery of oil, gas or other mineral on said land or on acreage pooled therewith Lessee should drill a dry hole or holes thereon, or if after discovery of oil, gas or other mineral, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within 60 days thereafter or if it be within the primary term, commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of 60 days from date of completion of a dry hole or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery or cessation of production, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, the lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said land or on acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within one hundred fifty (150) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

[illegible]

9. The breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor be cause for cancellation hereof in whole or in part save as herein expressly provided. If the obligation should require the drilling of a well or wells, Lessee shall have ninety (90) days after the receipt of written notice by Lessor from Lessor specifically stating the breach alleged by Lessor within which to begin operations for the drilling of any such well or wells; and the only penalty for failure so to do shall be the termination of this lease save as to forty (40) acres for each well being worked on or producing oil or gas, to be selected by Lessee so that each forty (40) acre tract will embrace one such well. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil, gas or other mineral in paying quantities.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire, fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, or any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. The undersigned Lessor, for himself and his heirs, successors and assigns, hereby surrenders and releases all rights of homestead in the premises herein described, in so far as said rights of homestead may in any way affect the purpose for which this lease is made as recited herein, and agrees that the annual drilling deferment rental payments made to Lessor as herein provided will fully protect this lease as to the full interests of the undersigned.

In WITNESS WHEREOF, this instrument is signed, sealed and delivered on the date first above written.

WITNESS:

Henry W. Dille (SEAL)
Henry W. Dille

Henry W. Dille (SEAL)
Henry W. Dille as Attorney-in-Fact (SEAL)
for Richard T. Dille (SEAL)

(SEAL)
Lessor.

STATE OF ~~MISSISSIPPI~~ TEXAS

county of EL PASO }

THIS DAY personally appeared before me, the undersigned, authority In and for said County and State, the
HENRY W. DILLE, Individually, and as Attorney-in-Fact for RICHARD T. DILLE

to acknowledged, that he signed and delivered the within and foregoing instrument on the day and year therein mentioned.

GIVEN under my hand and seal of office, this 21st day of January, A. D., 1971

WALTER D. BOUGHFIELD, Notary Public
for and for the County of El Paso, Texas
My commission expires June 1, 1971

Walter D. Boughfield
Notary Public.

STATE OF MISSISSIPPI }

county of

PERSONALLY APPEARED before me the undersigned

and for said County and State, the within named

of the subscribing witnesses to the within and foregoing instrument, who being first duly sworn, depose and saith that he saw the within named

, whose name

scribed thereto, sign and deliver the same to the said

he, this affiant, subscribed his name as a witness thereto in the presence of the said

and that he saw the other subscribing witness sign the same in the presence of the said

that the witnesses signed in the presence of each other, on the day and year therein named.

Sworn to and subscribed before me, this the day of, A. D., 19

(ix Seal) My commission expires: Notary Public.

| | | | | | | | | | | | | | | | | | | | |
|-----|----------------------------|------|----|-------|-----------|---------------------|---|--------|----|---------|--------------------------|------|------|--------|-------------------------|-----------------|----|--------------|-------------------------|
| No. | Oil, Gas and Mineral Lease | FROM | TO | Dated | No. Acres | County, Mississippi | This instrument was filed for record on the | day of | at | o'clock | M., and duly recorded in | Book | Page | of the | records of this office. | Chancery Clerk. | By | Deputy Clerk | When recorded return to |
|-----|----------------------------|------|----|-------|-----------|---------------------|---|--------|----|---------|--------------------------|------|------|--------|-------------------------|-----------------|----|--------------|-------------------------|

EXHIBIT "A"

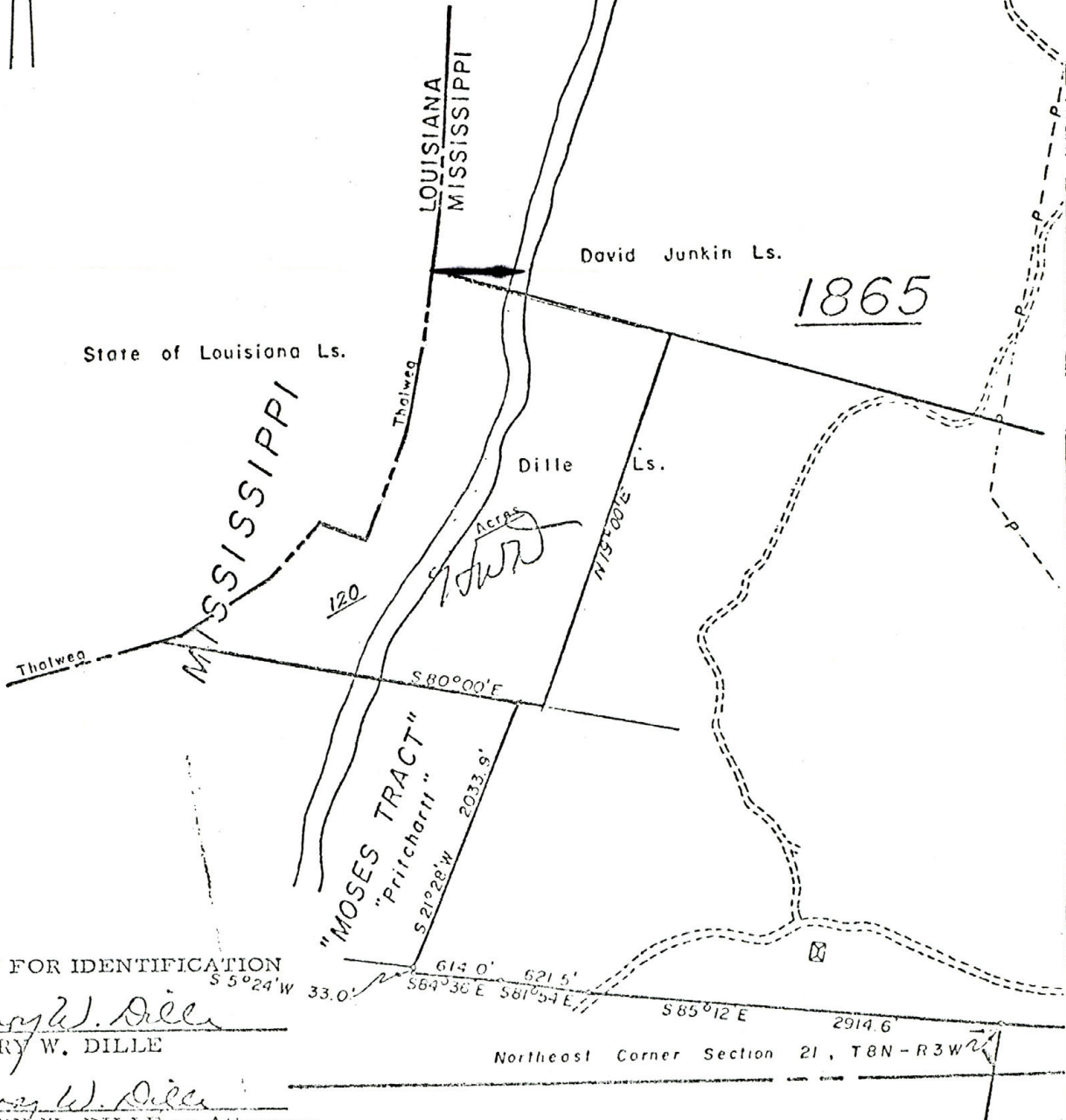
to

Oil, gas and mineral lease
dated January 20, 1971
from Henry W. Dille, individually
and as Attorney-in-Fact for
Richard T. Dille in favor of
Dave Gammill

BOOK 146 PAGE 345



RIVER



SIGN FOR IDENTIFICATION

Henry W. Dille
HENRY W. DILLE

Henry W. Dille
HENRY W. DILLE as Attorney-
in-Fact for Richard T. Dille

Scale: 1" = 1000'

"CLERMONT PLANTATION"
"Giles"

STATE OF MISSISSIPPI
ADAMS COUNTY

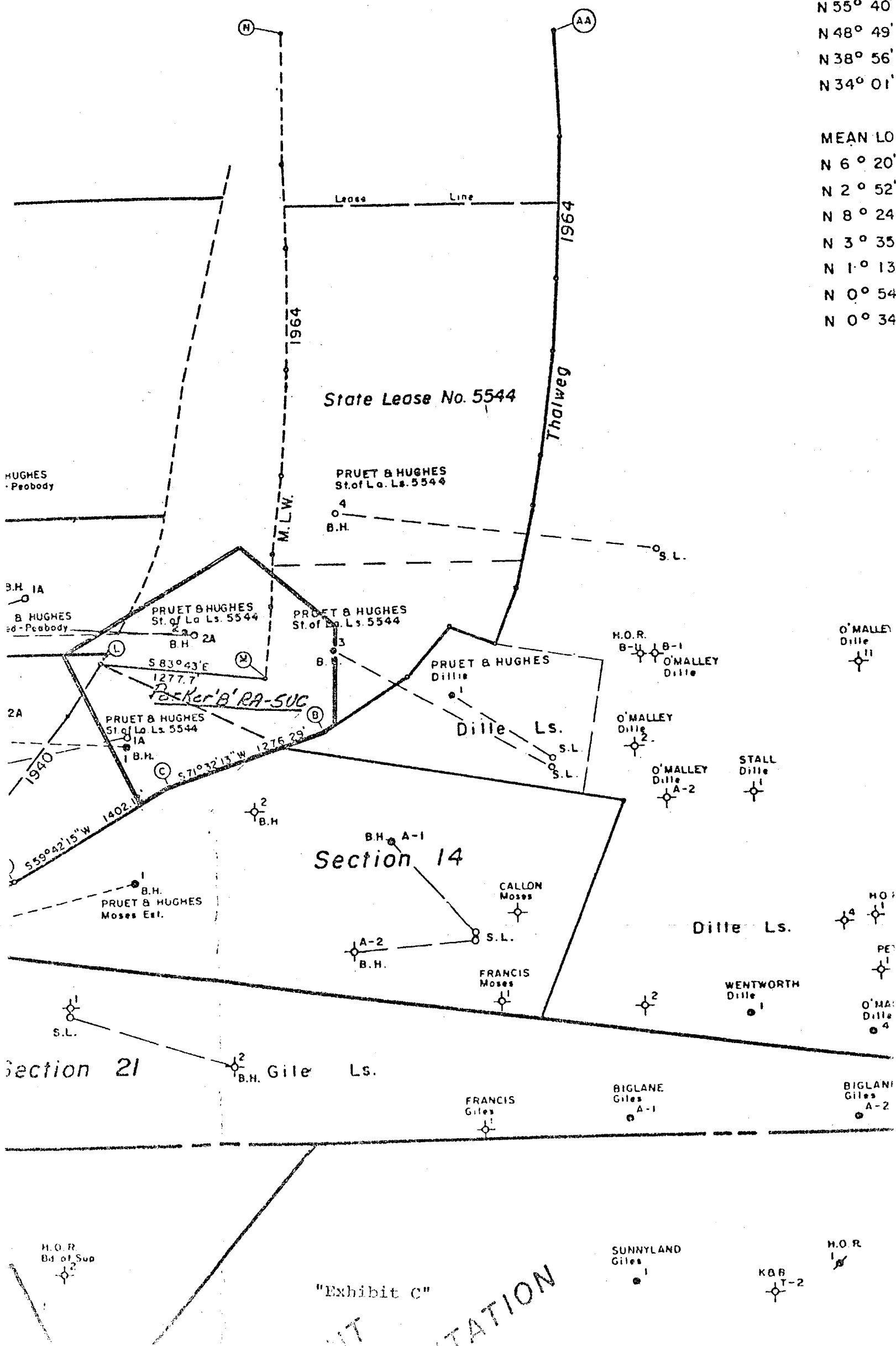
I, ROBERT J. BURRIS, Clerk of the Chancery Court of said County, hereby certify that the foregoing instrument of writing
was filed in my office for record on the 25 day of February, 1971 at 10:30 o'clock

WITNESSED my hand and seal of said County on the 25 day of February, 1971

MEAN LO
 N 67° 31'
 N 64° 48'
 N 55° 40'
 N 48° 49'
 N 38° 56'
 N 34° 01'

MEAN LO
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 N 2° 52'
 N 8° 24'
 N 3° 35'
 N 1° 13'
 N 0° 54'
 N 0° 34'

49

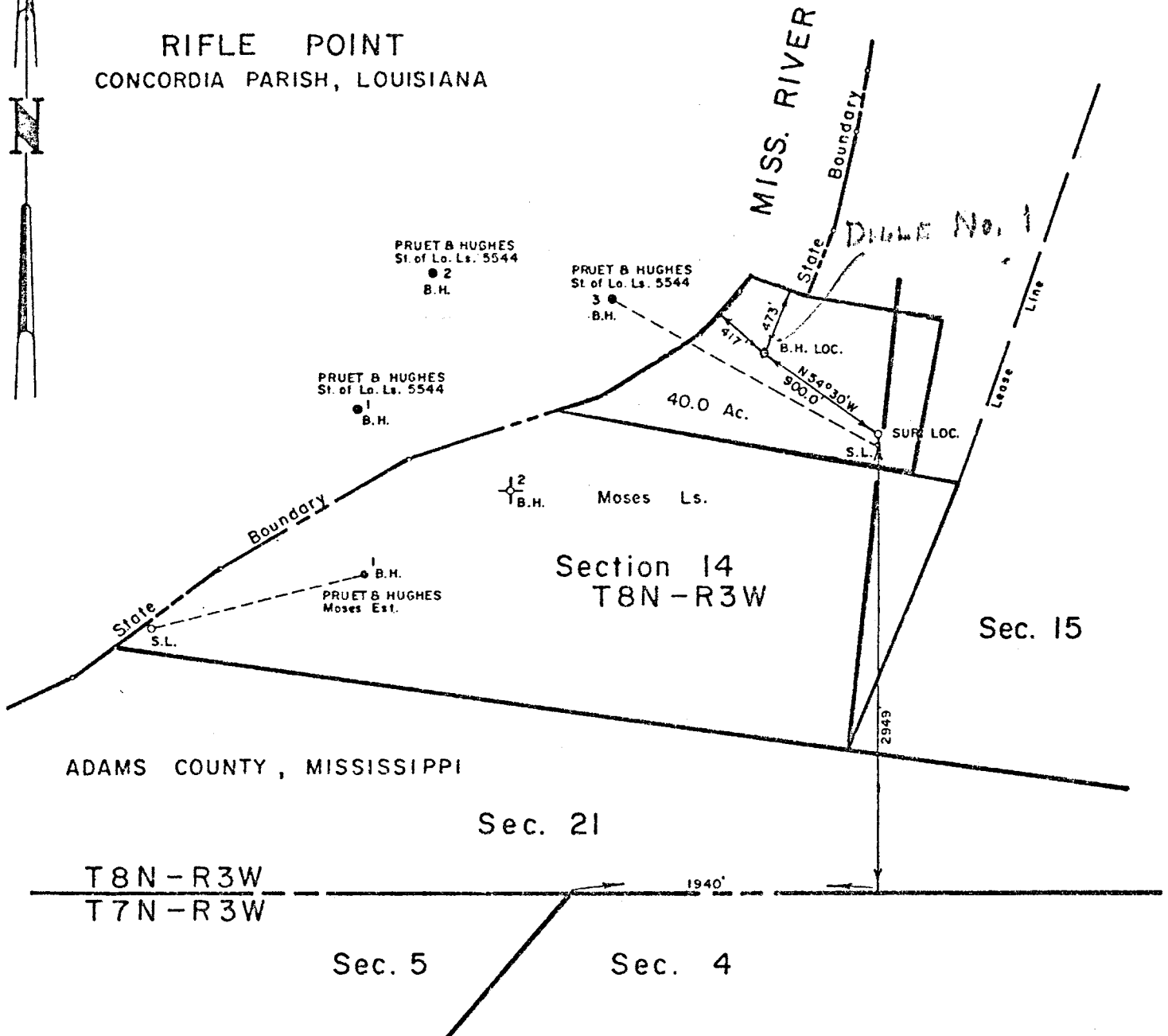


"Exhibit C"

EXHIBIT C

NOTE: The drilling unit shown hereon lies totally within the confines of a rectangle 2314.46 feet by 1094.44 feet.

RIFLE POINT
CONCORDIA PARISH, LOUISIANA



DESCRIPTION OF LOCATION: From the most easterly corner of Section 5, T7N-R3W, Adams County, Mississippi, go East along the north boundary of T7N-R3W for 1940 feet; thence North at right angles for 2949 feet to surface location in Section 14, T8N-R3W; thence N 54° 30' W for 900.0 feet to bottom hole location.

B. C. Jordan, Jr.
B. C. Jordan, Jr., Reg. C.E. No. 574

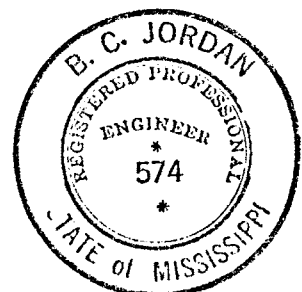
RECEIVED
NOV 18 1971
STATE OIL & GAS BOARD

GILES BEND FIELD

Well Location For
PRUET & HUGHES CO.
Dille No. 1
in

Section 14, T8N-R3W
Adams County, Mississippi

"Dille No. 1"

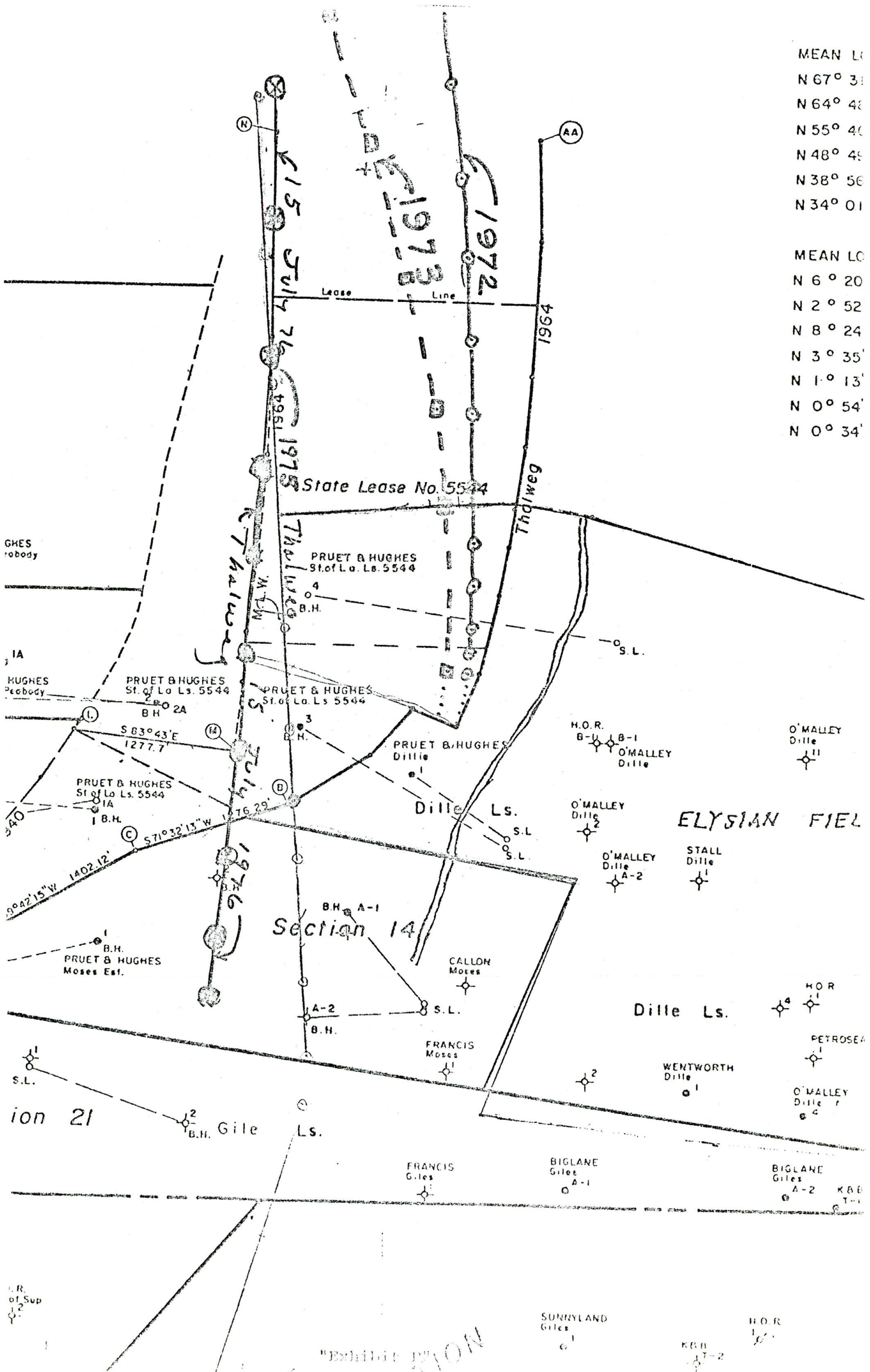


JORDAN, KAISER & SESSIONS
Civil Engineers - Natchez, Miss.

MEAN LO
 N 67° 31'
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 N 38° 56'
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MEAN LO
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 N 8° 24'
 N 3° 35'
 N 1° 13'
 N 0° 54'
 N 0° 34'

51



STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

April 28, 1975

ORDER NO. 887-B

Order concerning rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the GILES BEND FIELD, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a public hearing held in Shreveport, Louisiana, on April 10, 1975, under Docket No. 75-87, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells and otherwise to carry out the provisions of the laws of this State.

DEFINITION

The Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the depths of 5,622 feet and 5,662 feet (electrical log measurements) in the Pruet & Hughes (originally Dave Gammill) No. 1 Learned-Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste, and to avoid the drilling of unnecessary wells.
2. That the available geological and engineering data indicate that the units, all as more particularly shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," are reasonable and should be adopted; that each unit can be efficiently and economically drained by one well located thereon and that creation of such units should reasonably assure to each separate tract its just and equitable share of the contents of the reservoir.
3. That the separately owned tracts, mineral leases and other property interests within the unit created herein should be force pooled and integrated with each separate tract sharing in unit production on a surface acreage basis of participation.

4. That any wells drilled to the Parker B Sand, Reservoir A, outside of the units herein established should be located in accordance with Statewide Order No. 29-E.
5. That the wells as shown on the unit plat should be designated as the unit wells for the respective units in which they are located.
6. That Pruet & Hughes Company should be designated as operator of the units created herein.

O R D E R

NOW, THEREFORE, IT IS ORDERED THAT:

1. The drilling and production units shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," attached hereto and made a part hereof, be and they are hereby approved and adopted as drilling and production units for the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

The units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above exhibit and made a part of this order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims, and shall not affect any other acreage in separately owned tracts in the units.

The survey plat for each unit shall be prepared in accordance with the requirements for unit plats and survey plats adopted by the Commissioner of Conservation. It is recognized that the exterior boundary lines of the units, as surveyed, may differ from those lines as shown on the attached plat because of the requirement that by survey the geologically significant wells be correctly located with respect to each other and to the unit boundary lines that they control.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is situated. Also, all operations on and production from each unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.
3. The unit wells are designated in accordance with Finding No. 5 hereof.
4. The operator of the units hereby established is designated in accordance with Finding No. 6 hereof.
5. Any wells drilled to the Parker B Sand, Reservoir A, outside of the units hereby established shall be located in accordance with Finding No. 4 hereof.

6. Except as they may be in conflict herewith, the provisions of the applicable Statewide Orders shall govern the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

7. When there is obtained additional geological and engineering information indicating a required change or revision in the unit boundaries as adopted herein, or which would indicate a required change or revision of other provisions of this order, then the party or parties in possession of this additional information shall petition the Commissioner of Conservation for a public hearing for the purpose of considering appropriate changes.

This Order shall be effective on and after
April 10, 1975.

DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA



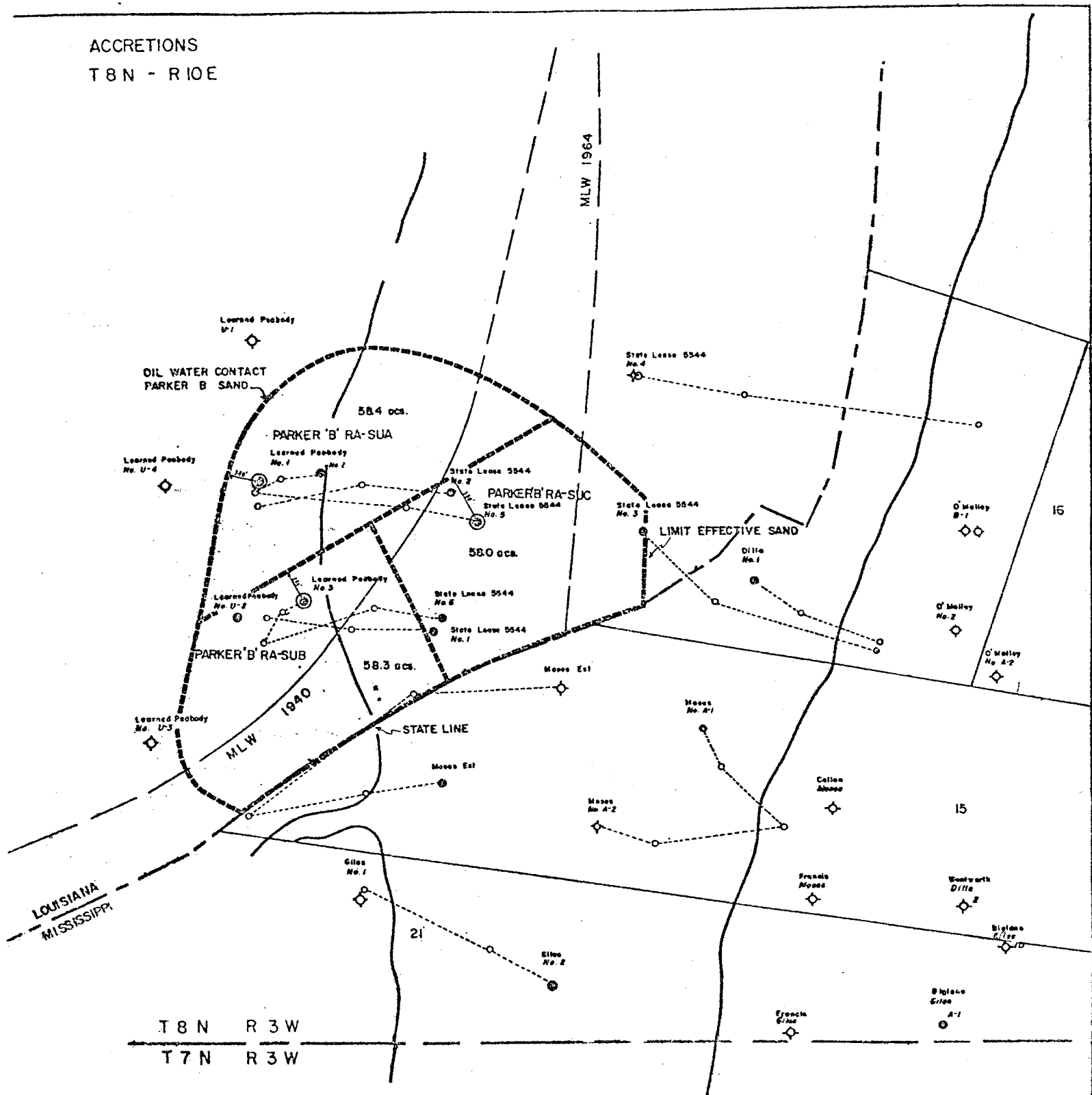
R. T. SUTTON
COMMISSIONER OF CONSERVATION

FJB

R&R - Oil

Pruet & Hughes
Company Exhibit No. 4
for Docket No. 75-87
attached.

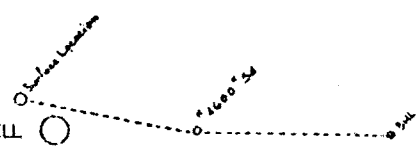
ACCRETIONS
T 8 N - R 10 E



NOTE: WELL NAMES AND MEAN LOW WATER DESIGNATIONS AS SHOWN ON THIS PLAT DO NOT INDICATE LAND OR LEASE BOUNDARIES OR OWNERSHIP

LEGEND:
DEVIATED HOLES

PROPOSED UNIT WELL



ORDER NO. 887-B

PRUET & HUGHES COMPANY

GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
ADAMS COUNTY, MISSISSIPPI

PROPOSED PARKER 'B' SAND UNITS

EXHIBIT NO 4 DATE: 4 - 10 - 75
DOCKET NO. 75-87

STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

February 21, 1972

ORDER NO. 887-A

Order establishing rules and regulations and creating
drilling and production units for the Parker "A" Sand,
Giles Bend Field, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a Public Hearing held under Docket No. 72-40, in Shreveport, Louisiana, on January 27, 1972, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the oil and gas resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells, and otherwise, to carry out the provisions of the laws of this State.

DEFINITION

The Parker "A" Sand in the Giles Bend Field is hereby defined as that oil bearing sand encountered between the depths of 5,612 feet and 5,619 feet (electric log measurements) in the Pruet & Hughes Company (originally Dave Gammill) #1 Learned Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of drilling and production units for the Parker "A" Sand in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste and to avoid the drilling of unnecessary wells.

2. That all available geological and engineering data indicate that the drilling and production units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-40," which plat is the same as applicant's Exhibit #4 with the exception of SU K and the additional SU L, are reasonable and should be adopted; that each such unit can be efficiently and economically drained by one well, and that the creation of such units should reasonably insure to each separate tract therein its just and equitable share of the reservoir content.

3. That evidence at the hearing indicated SU K of applicant's Exhibit #4 should be enlarged to take in acreage productive of Parker "A" Sand. SU L should be added in order to accommodate any future drilling which may be contemplated in that area.

4. That the separately owned tracts, mineral leases and other property interests within the units created herein should be force pooled and integrated in accordance with Section 10 of Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in production on a surface acreage basis of participation.

5. That unit wells for the units herein created should be designated as follows:

PARKER "A" SU E - Pruet & Hughes - State Lease 5544 #3 Well;
PARKER "A" SU J - Pruet & Hughes - Learned Peabody #U-2 Well;
PARKER "A" SU K - Pruet & Hughes - State Lease 5544 #1 Well.

6. That Pruet & Hughes Company should be designated as operator of all of the units created herein, except SU L.

7. That any wells hereafter drilled to the Parker "A" Sand, either upon or adjacent to the units established herein, should be located in accordance with State-wide Order No. 29-E, except that the locations of the unit wells already drilled, and referred to in Finding No. 5 above, should be approved. Further, if any Armstrong Sand wells now completed which may be recompleted as Parker "A" Sand wells, then such wells should also be approved as unit wells.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. The units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-40," attached hereto and made a part hereof, be and the same are hereby approved and adopted as drilling and production units for the production of oil from the Parker "A" Sand in the Giles Bend Field, Concordia Parish, Louisiana.

These units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above Exhibit and made a part of this Order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims and shall not affect any other acreage in separately owned tracts in the unit.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is located. Also, all operations on and production from each such unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

3. Unit wells are hereby designated in accordance with Finding No. 5 above.

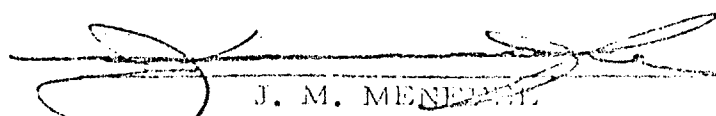
4. Pruet & Hughes Company is hereby designated as unit operator of all of the units created herein, except SU L.

5. Any wells drilled to the Parker "A" Sand, either upon or adjacent to the units established herein, shall be located in accordance with Finding No. 7 hereof.

6. Except as they may be in conflict herewith, the provisions of all applicable Statewide Orders shall govern the exploration for and production of oil from the Parker "A" Sand in the Giles Bend Field, Concordia Parish, Louisiana, as well as the method of allocating allowable production.

This Order shall be effective on and after February 1, 1972.

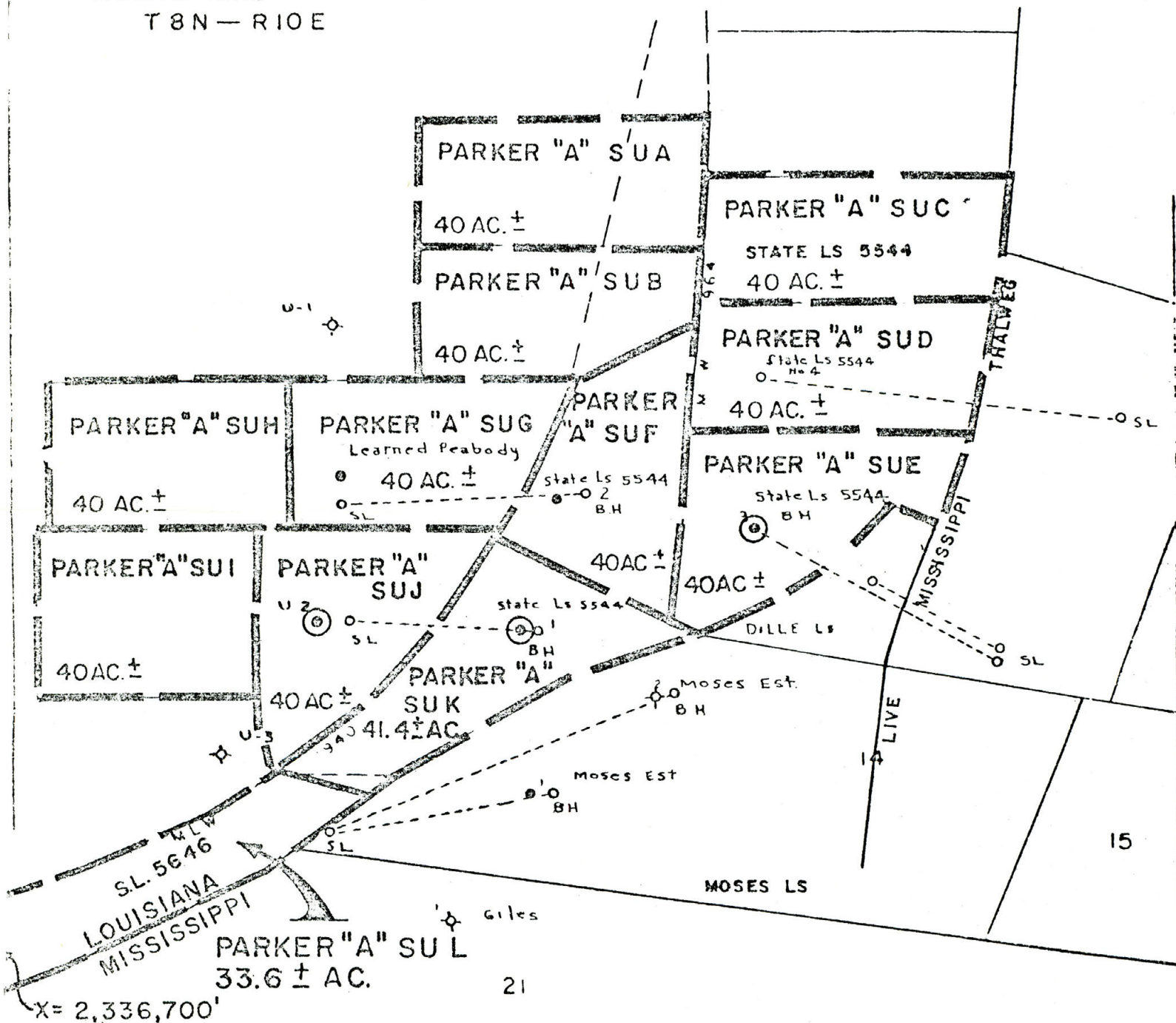
DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA


J. M. MENEHAM
COMMISSIONER OF CONSERVATION

(FJB/tr-2/21/72)

State Ex. "A" - Att.

ACCRETIONS
T 8 N - R 10 E



T 8 N - R 3 W
T 7 N - R 3 W

GILES LS

STATE EXHIBIT "A"
GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
PARKER "A" SAND UNITS

NOTE: WELL NAMES AND MEAN LOW WATER
DESIGNATIONS AS SHOWN ON THIS PLAT
DO NOT INDICATE LAND OR LEASE
BOUNDARIES OR OWNERSHIP

HEARING DOCKET NO. 72-40
ORDER NO. 887-A
SCALE - FEET

1000 0 1000 2000 3000
DEPARTMENT OF CONSERVATION, LOUISIANA GEOLOGICAL SURVEY

FEB. 17, 1972

DATE: 1-27-72

DOCKET
NO. 72-40

Dept. of Conservation Hearing Jan. 27, 1972
Base map after Pruet & Hughes Co. Ex. 4

STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

February 21, 1972

ORDER NO. 887

Order establishing rules and regulations and creating
drilling and production units for the Armstrong Sand,
Giles Bend Field, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a Public Hearing held under Docket No. 72-39 in Shreveport, Louisiana, on January 27, 1972, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the oil and gas resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells and, otherwise, to carry out the provisions of the laws of this State.

DEFINITION

The Armstrong Sand in the Giles Bend Field is hereby defined as that oil bearing sand encountered between the depths of 5,504 feet and 5,558 feet (electric log measurements) in the Pruet & Hughes Company (originally Dave Gammill) #1 Learned Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of drilling and production units for the Armstrong Sand in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste and to avoid the drilling of unnecessary wells.
2. That all available geological and engineering data indicate that the drilling and production units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-39," which plat is the same as applicant's Exhibit #4 with the exception of SU K and the additional SU L, are reasonable and should be adopted; that each such unit can be efficiently and economically drained by one well, and that the creation of such units should reasonably insure to each separate tract therein its just and equitable share of the reservoir content.
3. That evidence at the hearing indicated SU K of applicant's Exhibit #4 should be enlarged to take in acreage productive of Armstrong Sand. SU L should be added in order to accommodate any future drilling which may be contemplated in that area.
4. That the separately owned tracts, mineral leases and other property interests within the units created herein should be force pooled and integrated in accordance with Section 10 of Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in production on a surface acreage basis of participation.
5. That unit wells for the units herein created should be designated as follows:

ARMSTRONG SU F - Pruet & Hughes - State Lease 5544 #2 Well

ARMSTRONG SU G - Pruet & Hughes - Learned Peabody Well #1.

6. That Pruet & Hughes Company should be designated as operator of all of the units created herein, except SU L.

7. That any wells hereafter drilled to the Armstrong Sand, either upon or adjacent to the units established herein, should be located in accordance with State-wide Order No. 29-E, except that the locations of the unit wells already drilled, and referred to in Finding No. 5 above, should be approved.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. The units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-39," attached hereto and made a part hereof, be and the same are hereby approved and adopted as drilling and production units for the production of oil from the Armstrong Sand in the Giles Bend Field, Concordia Parish, Louisiana.

2. These units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above Exhibit and made a part of this Order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims and shall not affect any other acreage in separately owned tracts in the unit.

3. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is located. Also, all operations on and production from each such unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

4. Unit wells are hereby designated in accordance with Finding No. 5 above.

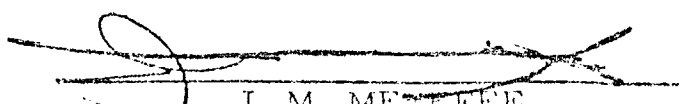
5. Pruet & Hughes Company is hereby designated as unit operator of all of the units created herein, except SU L.

6. Any wells drilled to the Armstrong Sand, either upon or adjacent to the units established herein, shall be located in accordance with Statewide Order No. 29-E; provided, however, that the locations of each of the unit wells designated in Finding No. 5 of this Order are hereby approved.

7. Except as they may be conflict herewith, the provisions of all applicable Statewide Orders shall govern the exploration for and production of oil from the Armstrong Sand in the Giles Bend Field, Concordia Parish, Louisiana, as well as the method of allocating allowable production.

This Order shall be effective on and after February 1, 1972.

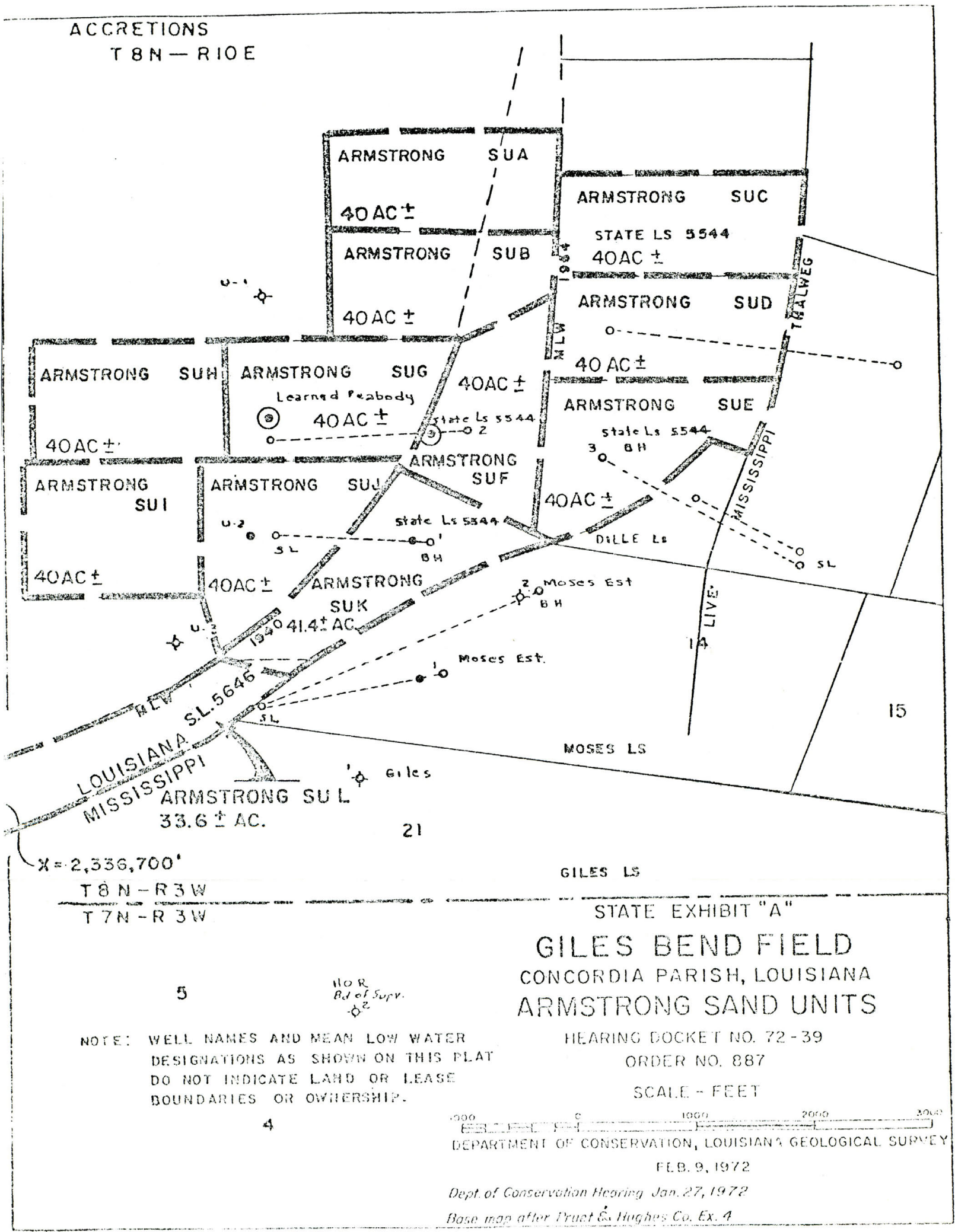
DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA


J. M. MENEFEE
COMMISSIONER OF CONSERVATION

(FJB/tr-2/21/72)

State Ex. "A" - Att.

R R - OIL



STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION,
BATON ROUGE, LOUISIANA

April 28, 1975

ORDER NO. 887-B

Order concerning rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the GILES BEND FIELD, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a public hearing held in Shreveport, Louisiana, on April 10, 1975, under Docket No. 75-87, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells and otherwise to carry out the provisions of the laws of this State.

DEFINITION

The Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the depths of 5,622 feet and 5,662 feet (electrical log measurements) in the Pruet & Hughes (originally Dave Gammill) No. 1 Learned-Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste, and to avoid the drilling of unnecessary wells.
2. That the available geological and engineering data indicate that the units, all as more particularly shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," are reasonable and should be adopted; that each unit can be efficiently and economically drained by one well located thereon and that creation of such units should reasonably assure to each separate tract its just and equitable share of the contents of the reservoir.
3. That the separately owned tracts, mineral leases and other property interests within the unit created herein should be force pooled and integrated with each separate tract sharing in unit production on a surface acreage basis of participation.

4. That any wells drilled to the Parker B Sand, Reservoir A, outside of the units herein established should be located in accordance with Statewide Order No. 29-E.
5. That the wells as shown on the unit plat should be designated as the unit wells for the respective units in which they are located.
6. That Pruet & Hughes Company should be designated as operator of the units created herein.

O R D E R

NOW, THEREFORE, IT IS ORDERED THAT:

1. The drilling and production units shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," attached hereto and made a part hereof, be and they are hereby approved and adopted as drilling and production units for the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

The units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above exhibit and made a part of this order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims, and shall not affect any other acreage in separately owned tracts in the units.

The survey plat for each unit shall be prepared in accordance with the requirements for unit plats and survey plats adopted by the Commissioner of Conservation. It is recognized that the exterior boundary lines of the units, as surveyed, may differ from those lines as shown on the attached plat because of the requirement that by survey the geologically significant wells be correctly located with respect to each other and to the unit boundary lines that they control.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is situated. Also, all operations on and production from each unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

3. The unit wells are designated in accordance with Finding No. 5 hereof.

4. The operator of the units hereby established is designated in accordance with Finding No. 6 hereof.

5. Any wells drilled to the Parker B Sand, Reservoir A, outside of the units hereby established shall be located in accordance with Finding No. 4 hereof.

6. Except as they may be in conflict herewith, the provisions of the applicable Statewide Orders shall govern the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

7. When there is obtained additional geological and engineering information indicating a required change or revision in the unit boundaries as adopted herein, or which would indicate a required change or revision of other provisions of this order, then the party or parties in possession of this additional information shall petition the Commissioner of Conservation for a public hearing for the purpose of considering appropriate changes.

This Order shall be effective on and after
April 10, 1975.

DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA



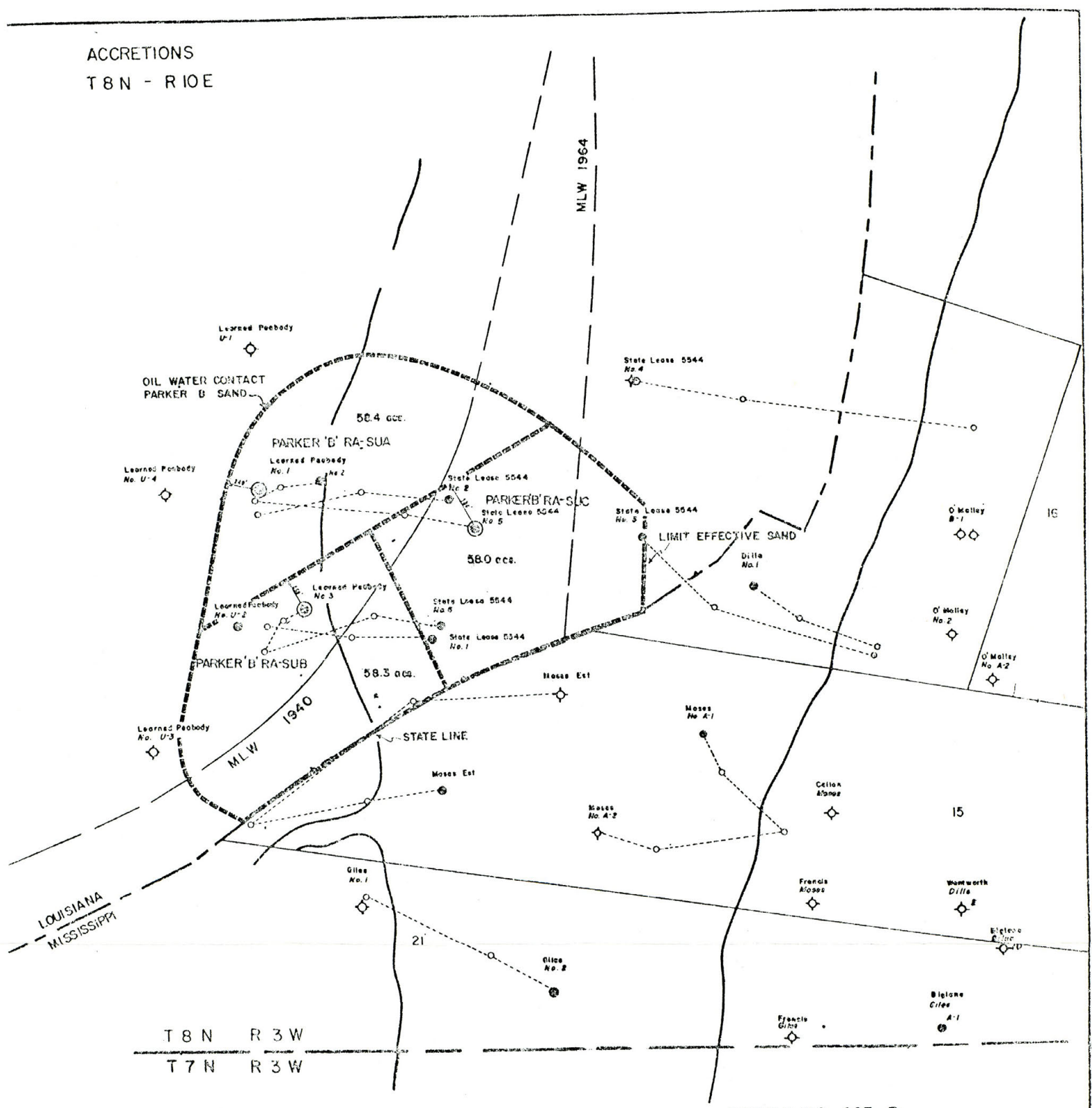
R. T. SUTTON
COMMISSIONER OF CONSERVATION

FJB

R&R - Oil

Pruet & Hughes
Company Exhibit No. 4
for Docket No. 75-87
attached.

ACCRETIONS
T 8 N - R 10 E



NOTE: WELL NAMES AND MEAN LOW WATER DESIGNATIONS AS SHOWN ON THIS PLAT DO NOT INDICATE LAND OR LEASE BOUNDARIES OR OWNERSHIP

LEGEND:
DEVIATED HOLES
PROPOSED UNIT WELL

ADAMS COUNTY
MISSISSIPPI
FILED M
JUN 19 1979
J. ODELL ANDERS
CHANCERY CLERK
BY *[Signature]*

ORDER NO. 887-B
PRUET & HUGHES COMPANY
GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
ADAMS COUNTY, MISSISSIPPI
PROPOSED PARKER 'B' SAND UNITS
EXHIBIT NO. 4 DATE: 4-10-75
SHEET NO. 75-67

STATE OF MISSISSIPPI
ADAMS COUNTY

I, D. Odell Anders, Chancery Clerk in and for said County and State do hereby certify that the above and foregoing instrument is a true and correct copy of original as filed this the 19 day of June A.D., 19 29 in the office of the Chancery Clerk, Adams County, Mississippi.

Given under my hand and seal of office this the 27 day of September, 19 29

D. ODELL ANDERS, Chancery Clerk

By Lil McCollum D.C.

United States District Court
for the

SOUTHERN DISTRICT OF MISSISSIPPI
JACKSON DIVISION

I, Harvey G. Henderson, Clerk of the United States District Court for the Southern District of Mississippi, and keeper of the records and seal thereof, hereby certify that the documents attached hereto are true copies of Petition for Removal to U. S. D. C. for S/D of Miss., Western Division from the Chancery Court of Adams County, Miss., C.A. No. W79-0069(R), styled "Dille vs. Pruet & Hughes Co. et al" now remaining among the records of the Court.

In testimony whereof I hereunto sign my name and affix the seal of said Court, in said District, at Jackson, this 6th day of August, 1979.

Harvey G. Henderson
Clerk.

I, Dan M. Russell, Jr., United States District Judge for the Southern District of Mississippi, do hereby certify that Harvey G. Henderson, whose name is above written and subscribed, is and was at the date thereof, Clerk of said Court, duly appointed and sworn, and keeper of the records and seal thereof, and that the above certificate by him made, and his attestation or record thereof, is in due form of law.

August 6, 1979.

Dan M. Russell, Jr.
United States District Judge

I, Harvey G. Henderson, Clerk of the United States District Court for the Southern District of Mississippi, and keeper of the seal thereof, hereby certify that the Honorable Dan M. Russell, Jr., whose name is within written and subscribed, was on the 6th day of August, 1979, and now is Judge of said court, duly appointed, confirmed, sworn, and qualified; and that I am well acquainted with his handwriting and official signature and know and hereby certify the same within written to be his.

In testimony whereof I hereunto sign my name, and affix the seal of said Court at the city of Jackson, in said State, on this 6th day of August, 1979.

Harvey G. Henderson
Clerk.

**In The
United States District Court For
The Southern District of Mississippi
Western Division**

Avery B. Dille, Jr.

Plaintiff

VS.

C.A. No. W 79-0069(R)

Pruet & Hughes Company (A Partnership), Henry W. Dille,
Richard T. Dille, Chesley Pruet, Robert Mosabacher, Bruce
Sciscoe, Dudley J. Hughes, Verne L. Culbertson, Benton R.
Vernon, Jr., Dave Gammill, Bates Oil Corporation, R. E.
Williams and the State of Louisiana Defendants

**PETITION FOR REMOVAL TO THE UNITED STATES
DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
MISSISSIPPI, WESTERN DIVISION**

The undersigned defendants hereby file this
their petition to remove the foregoing cause to the
United States District Court for the Southern Dis-
trict of Mississippi, Western Division, and respect-
fully show to this Honorable Court:

1

That this is a civil action which arises under
the Constitution of the United States and an act of
Congress approved April 6, 1812, admitting the
State of Louisiana into the Union of the United
States of America, which act is found in Chapter 50
of the United States Statutes at Large, Volume 2,

Page 701, and an act of Congress approved March 1, 1817, admitting the State of Mississippi into the Union of the United States of America, which act is found at 3 Stat. 348, Chapter 23; that the real question in dispute between the plaintiff and the defendants is the location of the boundary line between the State of Louisiana and the State of Mississippi for the pertinent periods set forth in plaintiff's complaint; that the determination of such boundary involves an interpretation of such acts of Congress setting forth the boundaries and determination of the boundaries between said two states; that this controversy further involves the equal footing doctrine of the states of the United States; it would further appear to your petitioners, and it is so alleged, that the Treaty of Peace concluded between the United States and Great Britain September 3, 1783, 8 Stat. 80, is also involved in this controversy, including an interpretation thereof as it affects or may affect such boundary between the State of Mississippi and the State of Louisiana can only be made pursuant to the Constitution of the United States and Federal law involving a question of interpretation and application of Federal law and jurisdiction. The above described action is a civil action in which this Court has original jurisdiction in respect to the Federal questions involved under the provisions of Title 28 United States Code Section 1441.

2.

That this controversy also involves a dispute

between citizens of different states and is a separate and independent claim between citizens of different states in that plaintiff is a citizen of the State of Mississippi and each of Chesley Pruet, Robert Mosbacher, Bruce Sciscoe, and Bates Oil Corporation is a citizen of a state other than the State of Mississippi; that plaintiff's complaint states a separate and independent claim as against each of said defendants last mentioned who is a nonresident of the State of Mississippi; that Henry W. Dille and Richard T. Dille are citizens of a state or country diverse to the citizenship of said defendants; that the amount in controversy as to each of said defendants exceeds the sum of \$10,000.00, exclusive of interest and costs, with respect to such separate and independent claim as to each said defendant who is a nonresident of the State of Mississippi; the above described action is a civil action in which this Court has original jurisdiction in respect to such separate and independent claim mentioned above under the provisions of Title 28 United States Code 1441 in that it is a civil action wherein the matter in controversy with respect to such separate and independent claim of the plaintiff against the respective defendants who are nonresidents of the State of Mississippi exceeds the sum or value of \$10,000.00, exclusive of interest and costs.

3.

Attached is copy of all orders, process, plead-

ings and other documents served upon the undersigned defendants and required to be attached and filed with this petition.

4.

Richard R. Dille and Henry W. Dille are not required to join in this petition for removal of this cause as each of such parties have aligned themselves as plaintiffs as the undersigned defendants have been informed by counsel for the named plaintiff, Avery H. Dille, Jr.

5.

Petitioners file herewith a bond with good and sufficient surety in the penal sum of Five Hundred and No/100 Dollars (\$500.00) conditioned as provided by Title 28, United States Code, Section 1446(d), that petitioners will pay all costs and disbursements incurred by reason of the removal proceedings hereby brought should it be determined that this action is not removable or is improperly removed.

WHEREFORE, petitioners pray that the above action now pending against the defendants in the Chancery Court of Adams County, Mississippi, be removed to the United States District Court for the Southern District of Mississippi, Western Division.

Cecil A. Ford of
Heidelberg, Woodliff & Franks
1030 Capital Towers
Jackson, Mississippi 39201
Telephone: (601) 948-3800

Attorney for Dudley J. Hughes

Thomas R. Crews, of
Thompson, Alexandria & Crews
Thompson Building
118 North Congress Street
Jackson, Mississippi 39205

Attorney for Bates Oil Corpora-
tion

Cecil A. Ford, of
Heidelberg, Woodliff & Franks
1030 Capital Towers
Jackson, Mississippi 39201
Telephone: (601) 948-3800
and

H. Derrell Dickens
814 Lion Oil Building
El Darado, Arkansas 71730
Telephone: (501) 862-5801

Attorney for Pruet & Hughes Company (a partnership), Chesley Pruet, Robert Mosbacher, Bruce Sciscoe, Verne L. Culbertson, Benton R. Vernon, Jr., Dave Gammill, and R. E. Williams

Assistant Attorney General
Louisiana Department of
Justice
Baton Rouge, Louisiana
Telephone: (504) 925-4113

Attorney for the State of
Louisiana

STATE OF MISSISSIPPI)

SS:

COUNTY OF HINDS)

Cecil A. Ford, one of the attorneys for the defendants named above states that the foregoing matters set forth in said petition are true and correct to his information, knowledge and belief.

Dated this 19th day of July, 1979.

Cecil A. Ford

Subscribed and sworn to before me, a Notary Public in and for Hinds County, Mississippi on the 19th day of July, 1979.

Notary Public

My Commission Expires:

THE STATE OF MISSISSIPPI

23,592

To the Sheriff of _____ Hinds _____ County, In _____ State:

You are hereby commanded to summon _____ Pruet & Hughes Co. by service of process

on Dudley J. Hughes, Partner _____ 1111 Capital Towers

Jackson, Ms. 39205

if to be found in your County, to appear before the Chancery Court of the County of _____ Adams _____

in the State of Mississippi, at a term of said Court to be held on the _____ Second _____ Monday

of _____ August _____, A. D., 19 _____ 73, at the Courthouse in the _____ City _____ of

_____ Natchez _____, Mississippi, then and there to plead, answer, or demur, to the

_____ Bill Of Complaint To Establish Boundary Line And To Recover _____ Oil Royalties

of _____

Avery B. Dille, Jr.

to which _____ he _____ is _____ Defendant _____ And have there and then this writ.

Given under my hand and seal of said Court, and issued this the _____ 20 _____ day of

_____ June _____, A. D. 19 _____ 73.

Attorney: Ward, Martin, Terry,
Way & Parker (Vicksburg)

J. ODELL ANDERS

Clerk.

By _____ Lil Mc Collem _____, D. C.

STATE OF MISSISSIPPI
COUNTY OF _____
Executed person _____
by _____
_____ 19 _____
_____ 21 _____
J. D. _____
_____ D.C.

| | |
|---|---|
| No. _____ | County, Miss. _____ |
| CHANCERY COURT | |
| vs. | |
| SUMMONS | |
| Issued _____, 19 _____ | Returnable _____ Monday |
| of _____, A. D., 19 _____ | Received by me this the _____ day of _____, A. D., 19 _____ |
| By _____, Sheriff | By _____, D. S. |
| Returned and filed this the _____ day of _____, A. D., 19 _____ | J. ODELL ANDERS Clerk |
| By _____ | By _____, D. C. |
| FEES OF _____ SHERIFF | Serving summons on _____ Defendant \$ _____ |
| Entering and returning writ _____ | Total \$ _____ |

THE STATE OF MISSISSIPPI

28,592

To the Sheriff of Hinds County, In Said State:

You are hereby commanded to summon Chesley Prust

1111 Capital Towers

Jackson, Ms. 39205

if to be found in your County, to appear before the Chancery Court of the County of Adams

in the State of Mississippi, at a term of said Court to be held on the Second Monday

of August, A. D., 19 79, at the Courthouse in the City of

Natchez, Mississippi, then and there to plead, answer, or demur, to the

Bill Of Complaint To Establish Boundary Line And To Recover

Oil Royalties

of Avery B. Dille, Jr.

to which he is Defendant. And have there and then this writ.

Given under my hand and seal of said Court, and issued this the 20 day of

June, A. D. 19 79.

Attorney: ward, Martin, Terry
Way & Parker (Vicksburg)

J. ODELL ANDERS, Clerk.

By Lil McCollum, D. C.

STATE OF MISSISSIPPI

Subscribed and sworn to before me personally by

Chesley Prust

June 21 1979
Jewel Carter

| | |
|--|---|
| No. _____ | County, Miss. |
| CHANCERY COURT | |
| vs. | |
| SUMMONS | |
| Issued _____, 19 _____ | Monday |
| Returnable _____ | of _____, A. D., 19 _____ |
| Received by me this the _____ day of _____ | A. D., 19 _____ |
| By _____, Sheriff | D. S. |
| Returned and filed this the <u>26</u> day of <u>June</u> , A. D., 19 <u>79</u> | JODELL ANDERS, Clerk |
| By _____, D. C. | _____ |
| FEES OF _____ SHERIFF | Serving summons on _____ Defendant \$ _____ |
| Entering and returning writ _____ | Total \$ _____ |

CITATION NOTICE

THE STATE OF MISSISSIPPI:

Adams COUNTYTo Robert Mosbacher P.O. Address 21st Floor, Capital National
Conoco Building
Houston, Texas 77002You are summoned to appear before the Chancery Court of the County
of Adams, in said State, on the Second MONDAY ofAugust A.D. 19 79, to defend the Suite No. 29,592in said Court of Avery D. Dille, Jr.

wherein you are a defendant.

This 20 day of June A.D. 19 79.J. Odell Anders

Clerk.

Ward, Martin, Terry, Way & Parker (Vicksburg) Attys. By S/ Lil McCollum D.C.

Once a week for three successive weeks.

THE STATE OF MISSISSI . I,
COUNTY OF ADAMS

Before the undersigned authority
of said county, personally appeared Linda Fluty
the clerk of a public newspaper printed and published in the city of Natchez, and county aforesaid,
called the Natchez Democrat who, being duly sworn, doth depose and say that publication of the
notice hereto affixed has been made in said paper for three successive weeks, to-wit:

CITATION NOTICE

28,592

The State of Mississippi:
Adams County
To Robert Mosbacher P.O. Address
21st Floor, Capital National Conoco
Building, Houston, Texas 77002

You are summoned to appear be-
fore the Chancery Court of the County
of Adams, in said State, on the
Second MONDAY of August A.D.
1979, to defend the Suit No. 28,592 in
said Court of Avery B. Dille, Jr.
wherein you are a defendant.

This 20 day of June A.D. 1979.

J. Odell Anders
Clerk.

By (s) Lil McCollum D.C.

Ward, Martin, Terry, Way &
Parker (VICKSBURG) attys.
(22-29-6)

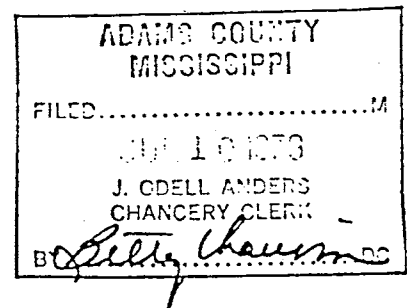
Vol. 115 No. 173 dated the 22 day of June, 1979
Vol. 115 No. 180 dated the 29 day of June, 1979
Vol. 115 No. 187 dated the 6 day of July, 1979
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19

Commencing on the 22 day of June, 1979
and ending on the 6 day of July, 1979

Linda Fluty

Sworn to and subscribed to this 6 day of July,
A.D., 19 79, before me.

by [Signature]
my Commission Expires
March 23, 1982



CITATION NOTICE

79

THE STATE OF MISSISSIPPI:

Adams COUNTY

To Bruce Sciscoe P.O. Box 867
P.O. Address Shreveport, Louisiana 71102

You are summoned to appear before the Chancery County of the County
of Adams, in said State, on the Second MONDAY of
August A.D. 19 79, to defend the Suite No. 29,592
in said Court of Avery D. Dille, Jr.
wherein you are a defendant.

This 20 day of June A.D. 19 79.

J. Odell Anders
Clerk.

Ward, Martin, Terry, Way & Attys. By S/ Lil McCollum D.C.
Parker (Vicksburg)
Once a week for three successive weeks.

THE STATE OF MISSISSIPPI,
COUNTY OF ADAMS

Before the undersigned authority
of said county, personally appeared Linda Fluty
the clerk of a public newspaper printed and published in the city of Natchez, and county aforesaid,
called the Natchez Democrat who, being duly sworn, doth depose and say that publication of the
notice hereto affixed has been made in said paper for three successive weeks, to-wit:

CITATION NOTICE

28,592

The State of Mississippi:
Adams County
To Bruce Scisroe P. O. Address
P.O. Box 867 Shreveport, Louisiana
71102

You are summoned to appear be-
fore the Chancery Court of the
County of Adams, in said State
on the Second MONDAY of August
A.D. 1979, to defend the Suit No.
28,592 in said Court of Avery B.
Dille, Jr. wherein you are a defend-
ant.

This 20 day of June A.D. 1979.

J. Odell Anders
Clerk.

By (s) Lil McCollum D.C.

Ward, Martin, Terry, Way &
Parker (Vicksburg) Attys.
(22-23-6)

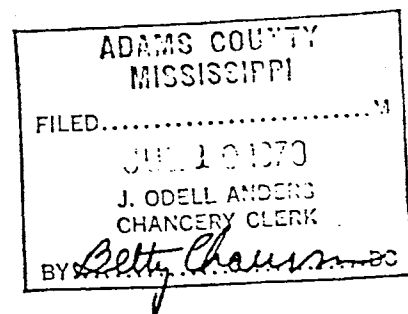
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Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19

Commencing on the 22 day of June, 1979
and ending on the 6 day of July, 1979

Linda Fluty

Sworn to and subscribed to this 6 day of July,
A.D., 1979, before me.

by [Signature]
my commission expires
March 23, 1982



CITATION NOTICE

THE STATE OF MISSISSIPPI:

Adams COUNTY

To Dudley J. Hughes P.O. Address Post Office Box 31
El Dorado, Arkansas 71730

You are summoned to appear before the Chancery County of the County
of Adams, in said State, on the Second MONDAY of
August A.D. 19 79, to defend the Suite No. 29,592

in said Court of Avery D. Dille, Jr.
wherein you are a defendant.

This 20 day of June A.D. 19 79.

J. Odell Anders
Clerk.

Ward, Martin, Terry, Way & Attys. By S/ Lil McCollum D.C.
Parker (Vicksburg)
Once a week for three successive weeks.

THE STATE OF MISSISSIPPI,
COUNTY OF ADAMS

Before the undersigned authority
of said county, personally appeared Linda Fluty
the clerk of a public newspaper printed and published in the city of Natchez, and county aforesaid,
called the Natchez Democrat who, being duly sworn, doth depose and say that publication of the
notice hereto affixed has been made in said paper for three successive weeks, to-wit:

CITATION NOTICE

The State of Mississippi: 28,592
Adams County
To Dudley J. Hughes P.O. Address
Post Office Box 31 El Dorado,
Arkansas 71730

You are summoned to appear be-
fore the Chancery Court of the
County of Adams, in said State, on the
Second MONDAY of August A.D.
1979, to defend the Suit No. 28,592
in said Court of Avery B. Dille, Jr.
wherein you are a defendant.

This 20 day of June A.D. 1979.

J. Odell Anders
Clerk.

By (s) Lil McCollum D.C.

Ward, Martin, Terry, Way &
Parker (Vicksburg) Attys.
(22-29-6)

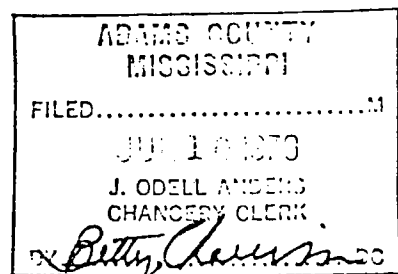
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Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19

Commencing on the 22 day of June, 1979
and ending on the 6 day of July, 1979

Linda Fluty

Sworn to and subscribed to this 6 day of July,
A.D., 1979, before me.

by [Signature]
My commission expires
March 23, 1982



THE STATE OF MISSISSIPPI 25,592

To the Sheriff of Hinds County, In Said State:

You are hereby commanded to summon Verne L. Culbertson
Magnolia Federal Savings & Loan Building
Jackson, Ms. 39205

if to be found in your County, to appear before the Chancery Court of the County of Adams
in the State of Mississippi, at a term of said Court to be held on the Second Monday
of August, A. D., 1979, at the Courthouse in the City of
Baldwin, Mississippi, then and there to plead, answer, or demur, to the

Bill of Complaint To Establish Boundary Line And To Recover
Oil Royalties
of Avery B. Dilla, Jr.

to which he is Defendant. And have there and then this writ.
Given under my hand and seal of said Court, and issued this the 20 day of
June, A. D. 1979.

Attorney: Ward, Martin, Terry,
Way & Parker J. ODELL ANDERS, Clerk.
By Lil McCollum D. C.

STATE OF MISSISSIPPI
COUNTY OF HINDS
Verne L. Culbertson
June 21 1979
Jewel Carter
Not at that address

No. _____ County, Miss.
CHANCERY COURT
vs.
SUMMONS
Issued _____, 19____
Returnable _____ Monday
of _____, A. D., 19____
Received by me this the _____ day of _____
A. D., 19____
By _____, Sheriff
D. S.
Returned and filed this the 26 day of June, A. D., 1979
J. ODELL ANDERS, Clerk
By _____, D. C.
FEES OF _____ SHERIFF
Serving summons on _____ Defendant \$_____
Entering and returning writ _____
Total \$_____

THE STATE OF MISSISSIPPI

28,592

To the Sheriff of REXNN Hinds County, In Said State:

You are hereby commanded to summon Benton P. Vernon, Jr.

116 Park Lane

Jackson, Ms. 39205

if to be found in your County, to appear before the Chancery Court of the County of Adams
in the State of Mississippi, at a term of said Court to be held on the Second Monday
of AUGUST, A. D., 19 79, at the Courthouse in the City of

Natchez

Mississippi, then and there to plead, answer, or demur, to the

Bill Of Complaint To Establish Boundary Line And To Recover
Oil Royalties

of

Avery B. Dille, Jr.

to which he is Defendant. And have there and then this writ.

Given under my hand and seal of said Court, and issued this the 29 day of
June 79

June, A. D. 1979.

J. ODELL ANDERS

Attorney: ward, Martin, Terry,
Way & Parker (Vicksburg)

By Lil McCallum, Clerk.
D. C.

THE STATE OF MISSISSIPPI

23,592

To the Sheriff of _____ County, In Said State:

You are hereby commanded to summon _____

131 North Lamar

Jackson, MS. 39205

if to be found in your County, to appear before the Chancery Court of the County of _____

in the State of Mississippi, at a term of said Court to be held on the _____ Monday

of _____, A. D., 19____, at the Courthouse in the _____ City of

Jackson

Mississippi, then and there to plead, answer, or demur, to the

Bill Of Complaint On Petitionary Line And To Recover
Oil Royalties

of _____

Avery B. Dille, Jr.

to which _____ is Defendant. And have there and then this writ.

Given under my hand and seal of said Court, and issued this the _____ day of

June

A. D. 19____

Attorney: Wm. Martin, Terry,
Way & Parker (Vicksburg)

J. ODELL ANDERS

Clerk.

By _____, D. C.

Wm. Hammill

June

21 79

Joel Carter

No.

County, Miss.

CHANCERY COURT

vs.

SUMMONS

Issued _____, 19____

Returnable _____ Monday

of _____, A. D., 19____

Received by me this the _____ day of

_____, A. D., 19____

_____, Sheriff

By _____, D. S.

Returned and filed this the _____ day of

_____, A. D., 19____

J. ODELL ANDERS

_____, Clerk

By _____, D. C.

FEES OF _____ SHERIFF

Serving summons on _____ Defendant \$

Entering and returning writ _____

Total \$

THE STATE OF MISSISSIPPI

28,592

To the Sheriff of Hinds County, In Said State:

You are hereby commanded to summon Bates Oil Corporation
by service of process on C.T. Corporation System

118 North Congress Street

Jackson, Ms. 39205

if to be found in your County, to appear before the Chancery Court of the County of Adams
in the State of Mississippi, at a term of said Court to be held on the Second Monday
of August, A. D., 19 79, at the Courthouse in the City of
Natchez, Mississippi, then and there to plead, answer, or demur, to the

Bill Of Complaint To Establish Boundary Line And To Recover
Oil Royalties
of Avery B. Dille, Jr.

to which he is Defendant. And have there and then this writ.

Given under my hand and seal of said Court, and issued this the 20 day of

June, A. D. 19 79

J. ODELL ANDERS

Attorney: Ward, Martin, Terry,
Way & Parker (Vicksburg)

_____, Clerk.
By Lil McCollum, D. C.

Bates Oil Corporation
C.T. Corporation System
Shawn Lawrence and Son
21 June 79
Jewel Carter

| | |
|--|---|
| No. _____ | County, Miss. _____ |
| CHANCERY COURT | |
| vs. | |
| SUMMONS | |
| Issued _____, 19 _____ | Returnable _____ Monday |
| of _____, A. D., 19 _____ | Received by me this the _____ day of _____, A. D., 19 _____ |
| By _____, Sheriff | By _____, D. S. |
| Returned and filed this the <u>20</u> day of <u>June</u> , A. D., 19 <u>79</u> | ODELL ANDERS, Clerk |
| By <u>RW</u> , D. C. | FELS OF _____ SHERIFF |
| Serving summons on _____ Defendant \$ _____ | Entering and returning writ _____ |
| Total \$ _____ | |

CITATION NOTICE

THE STATE OF MISSISSIPPI:

Adams COUNTYTo R. E. Williams P.O. Address 402 Dupont Building
Memphis, Tennessee 38101

You are summoned to appear before the Chancery County of the County
of Adams, in said State, on the Second MONDAY of
August A.D. 19 79, to defend the Suite No. 29,592

in said Court of Avery D. Dille, Jr.

wherein you are a defendant.

This 20 day of June A.D. 19 79.J. Odell Anders

Clerk.

Ward, Martin, Terry, Way & Attys. By S/ Lil McCollum D.C.
Parker (Vicksburg)
Once a week for three successive weeks.

THE STATE OF MISSISSIPPI,
COUNTY OF ADAMS

Before the undersigned authority
of said county, personally appeared Linda Fluty
the clerk of a public newspaper printed and published in the city of Natchez, and county aforesaid,
called the Natchez Democrat who, being duly sworn, doth depose and say that publication of the
notice hereto affixed has been made in said paper for three successive weeks, to-wit:

CITATION NOTICE

28,592
The State of Mississippi:
Adams County
To R.E. Williams P.O. Address
402 Dupont Building Memphis,
Tennessee 38101

You are summoned to appear
before the Chancery Court of the
County of Adams, in said State,
on the Second MONDAY of August
A.D. 1979, to defend the Suit No.
28,592 in said Court of Avery B.
Dille, Jr. wherein you are a def-
endant.

This 20 day of June A.D. 1979.

J. Odell Anders
Clerk.

By (s) Lil McCollum D.C.

Ward, Martin, Terry, Way &
Parker (Vicksburg) Attys.
(22-29-6)

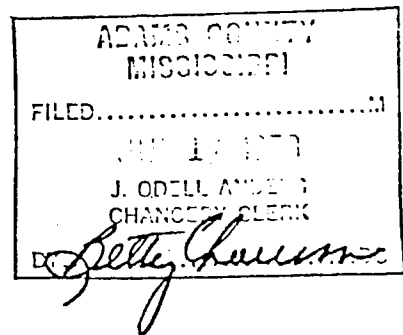
Vol. 115 No. 173 dated the 22 day of June, 1979
Vol. 115 No. 180 dated the 29 day of June, 1979
Vol. 115 No. 187 dated the 6 day of July, 1979
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19
Vol. No. dated the day of , 19

Commencing on the 22 day of June, 1979
and ending on the 6 day of July, 1979

Linda Fluty

Sworn to and subscribed to this 6 day of July,
A.D., 1979, before me.

by [Signature]
my commission expires
7/7



CITATION NOTICE

THE STATE OF MISSISSIPPI:

68

Adams COUNTY
 State of Louisiana
 To Honorable William J. Guste, Jr. P.O. Address Baton Rouge, Louisiana 70806
Attorney General

Wooddale Tower, Suite 717
 1885 Wooddale Boulevard

You are summoned to appear before the Chancery County of the County
 of Adams, in said State, on the Second MONDAY of
August A.D. 19 79, to defend the Suite No. 29,592

in said Court of Avery D. Dille, Jr.

wherein you are a defendant.

This 20 day of June A.D. 19 79.

J. Odell Anders

Clerk.

Ward, Martin, Terry, Way & Attys. By S/ Lil McCollum D.C.
Parker (Vicksburg)
 Once a week for three successive weeks.

THE STATE OF MISSISSIPPI,
COUNTY OF ADAMS

Before the undersigned authority
of said county, personally appeared Linda Fluty
the clerk of a public newspaper printed and published in the city of Natchez, and county aforesaid,
called the Natchez Democrat who, being duly sworn, doth depose and say that publication of the
notice hereto affixed has been made in said paper for three successive weeks, to-wit:

CITATION NOTICE

28,592
The State of Mississippi:
Adams County
To State of Louisiana Honorable
William J. Guste, Jr., Attorney Gen-
eral P.O. Address Wooddale Tower,
Suite 717, 1895 Wooddale Boulevard
Baton Rouge, Louisiana 70806

You are summoned to appear be-
fore the Chancery Court of the County
of Adams, in said State, on the
Second MONDAY of August A.D.
1979, to defend the Suit No. 28,592 in
said Court of Avery B. Dille, Jr.
wherein you are a defendant.
This 20 day of June A.D. 1979.

J. Odell Anders
Clerk.

By (s) Lil McCollum D.C.

Ward, Martin, Terry, Way &
Parker (Vicksburg) Attys.
(22-29-6)

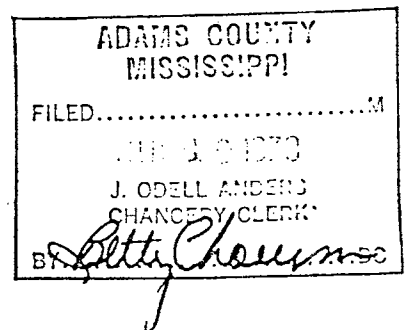
Vol. 115 No. 173 dated the 22 day of June, 1979
Vol. 115 No. 180 dated the 29 day of June, 1979
Vol. 115 No. 187 dated the 6 day of July, 1979
Vol. _____ No. _____ dated the _____ day of _____, 19____
Vol. _____ No. _____ dated the _____ day of _____, 19____
Vol. _____ No. _____ dated the _____ day of _____, 19____
Vol. _____ No. _____ dated the _____ day of _____, 19____
Vol. _____ No. _____ dated the _____ day of _____, 19____

Commencing on the 22 day of June, 1979
and ending on the 6 day of July, 1979

Linda Fluty

Sworn to and subscribed to this 6 day of July,
A.D., 1979, before me.

by Judge A. Lee
my Commission expires
March 23, 1982



IN THE CHANCERY COURT OF ADAMS COUNTY, MISSISSIPPI

AVERY B. DILLE, JR.

PLAINTIFF

VS.

NO. 28,592

PRUET & HUGHES COMPANY, (A PARTNERSHIP),
HENRY W. DILLE, RICHARD T. DILLE,
CHESLEY PRUET, ROBERT MOSBACHER,
BRUCE SCISCOE, DUDLEY J. HUGHES, VERNE L.
CULBERTSON, BENTON R. VERNON, JR., DAVE
GAMMILL, BATES OIL CORPORATION, R. E.
WILLIAMS AND THE STATE OF LOUISIANA DEFENDANTS

BILL OF COMPLAINT TO ESTABLISH BOUNDARY LINE
AND TO RECOVER OIL ROYALTIES

NOW COMES, Avery B. Dille, Jr., identical with A. B. Dille, Jr., and Avery Benjamin Dille, Jr. and files this his Bill of Complaint against Pruet & Hughes Company, (a Partnership), Henry W. Dille, identical with Henry Ward Dille, Richard T. Dille, identical with Richard Turner Dille, Chesley Pruet, Robert Mosbacher, Bruce Sciscoe, Dudley J. Hughes, Verne L. Culbertson, Benton R. Vernon, Jr., Dave Gammill, Bates Oil Corporation, R. E. Williams and The State of Louisiana, and would show unto the Court the following:

I

Your Complainant is an adult resident and citizen of Adams County, Mississippi.

II

The Defendant, Henry W. Dille, an adult non-resident of the State of Mississippi, is a citizen of the State of Texas, whose place of residence and Post Office Address is, 9544 Desert Ridge Drive, El Paso, Texas 79910..

III

Richard T. Dille, is an adult non-resident of the State of Mississippi, residing in the Republic of France. The place of residence and Post Office Address of the said Richard T. Dille in France is unknown to your Complainant, after diligent search and inquiry, but he does receive mail addressed to him in care of Henry W. Dille, 9544 Desert Ridge Drive, El Paso, Texas 79910.

IV

Pruet & Hughes Company is a Mississippi Co-Partnership composed of Chesley Pruet and Dudley J. Hughes, both of whom are adults. Chesley Pruet is a resident of Hinds County, Mississippi. Dudley J. Hughes is a non-resident of Mississippi and is a resident citizen of Arkansas whose Post Office Address is Post Office Box 31, El Dorado, Arkansas 71730.

V

The Defendant, Robert Mosbacher, an adult non-resident of the State of Mississippi, is a citizen of the State of Texas, whose Post Office Address is 21st Floor, Capital National Conoco Building, Houston, Texas 77002.

VI

✓ The Defendant, Bruce Sciscoe, an adult non-resident of the State of Mississippi, is a citizen of the State of Louisiana whose Post Office Box is 867, Shreveport, Louisiana 71102.

VII

The Defendant, Verne L. Culbertson, is an adult resident of Hinds County, Mississippi.

VIII

The Defendant, Benton R. Vernon, Jr., is an adult resident of Hinds County, Mississippi.

IX

The Defendant, Dave Gammill, is an adult resident of Hinds County, Mississippi.

X

✓ The Defendant, R. E. Williams, an adult non-resident of the State of Mississippi, is a citizen of the State of Tennessee whose Post Office Address is 402 Dupont Building, Memphis, Tennessee 38101.

XI

✓ The Bates Oil Corporation is a corporation organized under the laws of the State of Delaware whose agent for service of process is the C. T. Corporation System, 118 N. Congress Street, Jackson, Mississippi 39205.

XII

✓ The State of Louisiana is named as a Party Defendant hereto, and process may be served upon the State of Louisiana by serving the same on the Honorable William J. Guste, Jr., Attorney General, whose Post Office Address is Wooddale Tower, Suite 717, 1885 Wooddale Boulevard, Baton Rouge, Louisiana 70806.

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XIII

The Complainant, herein, is the owner in fee simple, of the following described property lying and being in Adams County, Mississippi, described as follows:

"A part of the Elysian Field Plantation, formerly the property of A. B. Dille, Sr., being a certain tract or parcel of land containing 422 acres, more or less, designated as the A. B. Dille, Jr., tract on that certain map or plat prepared by Jordan, Kaiser & Sessions, Civil Engineers, in August 1969, a copy of which map or plat was attached to that certain deed executed by Henry W. Dille and Richard T. Dille dated September 6, 1969, and recorded in Book 11-J at Page 72, et seq. of the Land Deed Records of Adams County, Mississippi and which tract may be more particularly described as:

Beginning at the Northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, run along the boundary between Dille and Giles, North 85° 12' West, for 2914.6 feet, thence North 81° 54' West for 621.5 feet; thence North 84° 36' West for 614.0 feet; and thence North 05° 24' East for 33.0 feet to the Southeast corner of the Moses tract; thence along the boundary of said Moses tract, North 21° 28' East for 2033.9 feet and North 80° 00' West for 985 feet to the Mississippi River; thence in a generally northerly direction along the Mississippi River for 3100 feet, more or less, to the North boundary of Elysian Field; thence South 73° 34' East along the north boundary of Elysian Field (a very old fence) for 2710 feet, more or less; thence South 70° 08' East for 601.8 feet; thence South 16° 13' West for 502.1 feet; thence South 14° 12' East for 147.2 feet to the center of a bayou; thence in a general southerly and southeasterly direction along the center of said bayou for 4055 feet, more or less, to the center of Mammoth Bayou; thence in a general southerly direction along the center of Mammoth Bayou for 380 feet, more or less, to the south boundary of Elysian Field, thence North 85° 55' West along the South boundary of Elysian Field 1765.8 feet to the point of beginning. Said within described tract

containing 422 acres more or less, being a portion of Elysian Field situated in Township 8 North, Range 3 West, Adams County, Mississippi, together with all accretions and alluvion which have been added thereto as well as so much of the bed of the Mississippi River as lies between the bankline of the Mississippi River and the State line between the States of Mississippi and Louisiana, less and except, however, two-thirds of the oil, gas and other minerals in, on and under said lands.

XIV

(a) On the 20th day of January, 1971, Avery B. Dille, Jr., Complainant herein, executed an oil, gas and mineral lease to Dave Gammill which lease is recorded in Oil and Gas Book 147 at Page 353 of the Oil and Gas Records of Adams County, Mississippi. A copy of said lease is attached hereto marked as Exhibit "A", and made a part hereof as if copied in full.

(b) On May 5, 1971, by instrument recorded in Book 147 at Page 359 of the Oil and Gas Records aforesaid, Dave Gammill assigned an 82% interest in said lease to the following parties and in the following proportions:

| | |
|-----------------------|---------|
| Chesley Pruet | 27.500% |
| Robert Mosbacher | 18.750% |
| Bruce Sciscoe | 9.375% |
| Dudley J. Hughes | 9.375% |
| Verne L. Culbertson | 5.000% |
| Benton R. Vernon, Jr. | 2.000% |

(c) On the 21st day of January, 1972, effective as of 7:00 A.M., January 1, 1972, by instrument recorded in Book 150 at Page 107 of the Oil and Gas Records of Adams County, Mississippi, Dave Gammill assigned to R. E. Williams all of his right, title and interest in and to the above leasehold estate, together with interest under other leases, reserving a production payment interest of \$225,000.00.

(d) By instrument dated the 25th day of January, 1972, effective as of 7:00 A.M., January 1, 1972, Verne L. Culbertson assigned to R. E. Williams all of his interest in and to said Oil and Gas lease reserving unto himself a production payment interest of \$62,500.00.

(e) By instrument dated the 28th day of January, 1972, effective as of 7:00 A.M., January 1, 1972, Benton R. Vernon, Jr. assigned to R. E. Williams all of his interest in and to said Oil and Gas lease reserving unto himself a production payment interest of \$25,000.00.

(f) On the 1st day of December, 1970, Pruet & Hughes Company (a co-partnership consisting of Chesley Pruet and Dudley J. Hughes) entered into an operating agreement recorded in Book 146 at Page 349 of the Oil and Gas Records of Adams County, Mississippi with Pruet & Hughes Company as Operator with Chesley Pruet, Robert Mosbacher, Bruce Siscoe, Dudley J. Hughes, Dave Gammill, Benton R. Vernon, Jr., and Verne L. Culbertson executing the same as non-operators which agreement covered the lands owned by the Complainant and originally leased to Dave Gammill, as aforesaid. Under the terms of this agreement, Pruet & Hughes were designated to be the operators of the Dille lease with the responsibility for drilling and producing oil, gas and other minerals, selling the same and accounting to the Complainant and the non-operators listed above as well as all other mineral or leasehold owners for their proportionate interest in the oil, gas and other minerals which might be produced and sold from the lands of the Complainant.

(g) By instrument bearing date of the 22nd day of January, 1974, and recorded in Book 155 at Page 486 of the Oil and Gas Records of Adams County, Mississippi, Dudley J. Hughes assigned to Bates Oil Corporation out of the Avery B. Dille, Jr. lease to Dave Gammill aforesaid, Exhibit "A" hereto, an undivided .093750 gross working interest with a net revenue pay interest of .070312 in that certain producing unit containing 40 acres more or less for the well known as Pruet & Hughes Company-Dille Estate Number 1 insofar as said lease covers and affects the producing unit described as follows:

96
From the most easterly corner of Section 5, Township 7 North, Range 3 West, Adams County, Mississippi, go West along the north boundary of Township 7 North, Range 3 West for 124.6 feet; thence North at right angles for 3123.1 feet to a point on the boundary between the State of Mississippi and the State of Louisiana for the point of beginning, being the southwest corner of within described tract. Thence from said point of beginning, go South 80° 00' East along the boundary between the Dille Lease and Moses Lease for 2314.46 feet; thence North 10° 00' East for 1017.34 feet; thence North 80° 00' West for 867.7 feet, more or less, to the thalweg of the Mississippi River, being the boundary between the State of Mississippi and the State of Louisiana; thence downstream along said boundary to the point of beginning. Said within described tract contains 40.0 acres.

XV

To the extent necessary, Complainant deraigns his title to the property described in Paragraph XIII as follows:

a. All of said property was conveyed to A. B. Dille by deed dated December 24, 1923, executed by Frank K. Dille and Julia W. Dille, his wife, which deed is recorded in Book 4-I, at Page 357 of the Land Deed Records of Adams County, Mississippi.

b. The said A. B. Dille, identical with Avery Benjamin Dille, died testate a resident of Adams County, Mississippi leaving his Last Will and Testament dated December 6, 1956, which will was duly probated and is recorded in Book 22 at Page 215 of Records of Wills in the office of the Chancery Clerk of Adams County, Mississippi. By the terms of said will the above described lands were devised to his wife, Katherine Turner Dille.

c. The said Katherine Turner Dille, died testate a resident of Adams County, Mississippi leaving her Last Will and Testament dated December 6, 1956, which will is recorded in Book 24 at Page 279 of the Records of Wills in the office of the Chancery Clerk of Adams County, Mississippi. By the terms of said will the above described lands were devised to her three sons, Avery Benjamin Dille, Jr., Henry Ward Dille, and Richard Turner Dille.

d. By Partition deed executed by Henry W. Dille, Avery B. Dille, Jr., and Richard T. Dille, bearing date of the 6th day of September, 1969, and recorded in Book 11-J at Page 72 of the Land Deed Records of Adams County, Mississippi the aforesaid Henry W. Dille and Richard T. Dille conveyed to Complainant, Avery B. Dille, Jr., all of their undivided two-thirds interest in and to the above described property, excepting and reserving to themselves, however, all of their undivided two-thirds interest in and to the oil, gas and other minerals in, on and under the above land.

XVI

Complainant does not deraign his title beyond that shown for the reason that all Defendants, other than The State of Louisiana, received whatever title they claim under the lands owned by Complainant as described in Paragraph XIII above, from a common source. The State of Louisiana makes no claim of title to any part of the Complainant's land lying in the State of Mississippi, and deraignment of title, therefore, is not made against the aforesaid State of Louisiana, the State of Louisiana being made the party hereto for the purpose of having Complainant's boundary line determined as being established by the Mississippi-Louisiana State line which is the middle of the navigable channel of the Mississippi River.

XVII

(a) On January 20, 1971, Henry W. Dille, individually and as Attorney-In-Fact for Richard T. Dille, executed an oil, gas and mineral lease to Dave Gammill recorded in Book 146 at Page 346 of the Oil and Gas Records of Adams County, Mississippi covering their two-thirds mineral interest. A copy of this lease is attached as Exhibit "B".

(b) Thereafter, this lease was assigned to the same parties and in the same proportions and by the same instruments

as set out in Paragraph XIV sub-paragraphs (b) through (g) inclusive, reference to which is made to avoid prolixity.

XVIII

The Defendant, Pruet & Hughes Company, drilled an oil and gas well on the property owned by the Complainant designated as Dille Number 1, productive of oil, the approximate location of said well being shown on plat attached hereto, marked Exhibit "C" and made a part hereof as fully as though herein copied in full.

XIX

The aforesaid well, Dille Number 1, has been in continual production of oil and other minerals since the respective dates of completion.

XX

The State of Louisiana by Lease Number 5544, which is not of record in Adams County, Mississippi purported to lease to Pruet & Hughes Company a portion of the bed of the Mississippi River lying west of and contiguous to the submerged lands of the Complainant. Thereafter, Pruet & Hughes Company completed a well known as "State of Louisiana Well Number 3" on said leased properties. A plat showing the approximate location of said State Lease Well Number 3 is attached hereto marked Exhibit "D", and made a part hereof as fully as though herein copied in full. The aforesaid State Well Number 3 has been producing oil and gas since its completion, the completion date being unknown to your Complainant, but being approximately January 17, 1972. The surface location of said State of Louisiana Well Number 3 was made on the lands of Complainant in Adams County, Mississippi, and said well was drilled directionally for the purpose of bottoming the well somewhere under the bed of the Mississippi River at a geographical location purportedly owned by the State of Louisiana.

XXI

Upon information and belief, Complainant alleges that said Louisiana State Lease Well Number 3 has continued to produce oil, gas or both continuously since its completion and that all royalties for production from said well have been paid, to the State of Louisiana. The Complainant is without information or knowledge as to the total amount of production, which has resulted from said well or the dollar value thereof, but this is known to Pruet & Hughes Company.

XXII

Complainant would show that the State line between the States of Mississippi and Louisiana, which is also the west boundary of Complainant's lands, is located in the submerged bed of the Mississippi River and is the sailing line of navigation, or the thalweg, of the river, and this State line shifts from time to time as the current of the Mississippi River moves eastward or westward and as the banks of the Mississippi River cave into the river or as the banks of the river are built up by the process of accretion. The plat attached hereto as Exhibit "E" shows the location of said State line, designated by the word "thalweg", as it appeared as of 1964. Since 1964, however, the thalweg or sailing line or state line has been continually shifting westward. The steady movement of this state line in a western direction in front of the riparian lands of the Complainant was and is well known to the Defendants or, by the exercise of reasonable diligence, could have been ascertained, as all of this information is available through the offices of the Mississippi River Commission and the offices of the United States Corps of Engineers at Vicksburg, Mississippi.

The State line in 1964 is described as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following

100

courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 935 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned & Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1964 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence South 68 degrees 12 minutes East 377 feet; thence North 22 degrees 02 minutes East 453.1 feet; thence North 12 degrees 52 minutes East 646.2 feet, thence North 9 degrees 36 minutes East 395.5 feet; thence North 7 degrees 47 minutes East 400 feet, more or less, to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXIII

Complainant would show that by 1972, the State line between the States of Mississippi and Louisiana, as indicated by the thalweg, had shifted to the geographical location as depicted on the map attached hereto as Exhibit "E", which line is indicated in green marked "1972". The geographical location of the 1972 State line location is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned & Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of

the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1972 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence South 68 degrees 12 minutes East 377 feet; thence North 3 degrees East 240 feet more or less, thence North 2 degrees 400 feet more or less; thence North 1120 feet more or less to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXIV

By 1973, said State line had shifted further west and was then in the geographical location as shown on Exhibit "E" hereto, indicated by a purple line with the legend "1973". The geographical location of the 1973 State line is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned & Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1973 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence South 68 degrees 12 minutes East 230 feet more or less; thence North 3 degrees 45 minutes East 400 feet more or less; thence North 1 degree 15 minutes West 1000 feet more or less, to the intersection of the Louisiana-Mississippi State line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXV

By 1975, said State line had shifted still further west and occupied the geographical location depicted on Exhibit "E" hereto depicted by a black line bearing the legend of

"1975 thalweg" and the geographical location of the State

line as of 1975 is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West 985 feet; thence North 80 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds East 330 feet to point "B" shown on Exhibit No. 3 prepared by Austin B. Smith and attached to that certain boundary line agreement entered into by R. F. Learned and Son, Inc. on the one hand and Mrs. Mary Hodge Giles and others on the other hand, dated the 10th day of January, 1957, and recorded in Deed Book No. 8-F, at Page 15, of the Land Deed Records of Adams County, Mississippi; thence from said point "B" run with the 1975 boundary between the States of Louisiana and Mississippi North 57 degrees 21 minutes East 760.1 feet; thence North 41 degrees 05 minutes East 517.4 feet; thence North 3 degrees West 3075 feet more or less, to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr., "Elysian Field" tract.

XXVI

By 1976, said thalweg and State line had again shifted further west in front of the Complainant's lands and occupied the geographical position as shown on Exhibit "E", attached hereto depicted by a red line bearing the legend "July 1976 thalweg". The geographical location of the July 1976 State line is as follows:

Commence at the northeast corner of Section 21, Township 8 North, Range 3 West, Adams County, Mississippi, and run thence along the south line of the "Elysian Field" tract owned by A. B. Dille, Jr., with the following courses and distances, to-wit: North 85 degrees 12 minutes West 2914.6 feet; thence North 81 degrees 54 minutes West 621.5 feet, thence North 84 degrees 36 minutes West 614 feet, thence North 5 degrees 24 minutes East 33 feet to the southeast corner of the Moses tract, thence along the east line of the Moses tract run North 21 degrees 28 minutes East 2033.9 feet to the northeast corner of the Moses tract; thence with the north line of the Moses tract run North 80 degrees West

935 feet; thence North 30 degrees West 1675 feet; thence North 71 degrees 32 minutes 13 seconds West 150 feet more or less, thence North 1 degree 15 minutes East 3270 feet more or less, thence North 7 degrees 47 minutes East 400 feet; more or less, to the intersection of the Louisiana-Mississippi State Line with the north line of the A. B. Dille, Jr. "Elysian Field" tract.

XXVII

Under the laws and court decisions of the State of Mississippi, the owner of lands which are riparian to the Mississippi River also owns the bed of the river extending from the Mississippi bank line out to the adjoining State line, which in this instance is the State line of Mississippi-Louisiana. Therefore, as the State line migrated westward, Complainant's ownership of the bed of the Mississippi River and its underlying minerals followed the State line. This change of ownership resulting from the migration of the State line, was called to the attention of Defendant, Pruet & Hughes Company and was also called to the attention of the State of Louisiana by your Complainant with demand being made by the Complainant that adjustments in royalty payments be made so that Complainant would be paid his proportionate part of the royalty attributable to his ownership of the bed of the Mississippi River as the same was enlarged by the migration westward of the thalweg or State line between the States of Mississippi and Louisiana. In spite of said demands the Defendants, State of Louisiana and Pruet & Hughes Company have refused to honor the same and over the protest of Complainant Pruet & Hughes Company has continued to pay to the State of Louisiana all gas and oil royalties attributable to production through the drill hole from the State of Louisiana Lease 5544, Well Number 3, although said well is draining oil from the Complainant's lands, and the State of Louisiana has also refused to pay the same or any part thereof to Complainant although requested so to do.

XXVIII

Complainant would show that Pruet & Hughes Company and the State of Louisiana entered into an agreement through the Oil and Gas Board of the State of Louisiana establishing a forty acre producing unit surrounding the State of Louisiana Well Number 3. A copy of the Orders establishing this unit is attached hereto marked Exhibit "F". The Complainant was not a party to this proceeding and has never acquiesced therein. This unit originally embraced only portions of the bed of the Mississippi River lying within the State of Louisiana but as the State line, which is the same as the sailing line of navigation, or the thalweg of the Mississippi River, moved westward, title to portions of the bed of the river, together with title to one-third of the minerals underlying the same became vested in Complainant. The Louisiana State Well Number 3, then commenced draining oil and gas from Complainant's lands, which drainage has continued to this day. As shown by Exhibit "E" the Louisiana State Well Number 3 is now bottomed entirely under the lands of Complainant.

XXIX

Complainant would show that by reason of such drainage a third of the royalties from State of Louisiana Well Number 3 attributable to Complainant's submerged lands should have been paid to him but the amount of said royalties, and the volume of the oil and gas produced through said Louisiana State Well Number 3 is unknown to your Complainant but it is known to the Defendants, State of Louisiana and Pruet & Hughes Company. Complainant would show unto the Court that he is entitled to an accounting from the said Pruet & Hughes Company and The State of Louisiana of all oil and gas drained from his submerged lands which were produced through and drained by the aforesaid State of Louisiana Well Number 3 and he is entitled to be paid the value of one-third of one-fourth thereof, together with interest.

XXX.

Complainant would further show that it was and is the duty of the Defendant, Pruet & Hughes Company to pay to the rightful royalty owners such royalty owners' proportionate part of the oil and gas produced and the portion of such royalty payable to Complainant can be ascertained only by an annual determination of where the State line is located as between the State of Mississippi and the State of Louisiana. Complainant would show that the United States Engineers, Vicksburg District, make hydrographic studies of the bed of the Mississippi River annually, and these studies show and will show the location of the Mississippi-Louisiana State line as of the time of said hydrographic survey. Complainant is entitled to a mandatory injunction directing the Defendant, Pruet & Hughes Company in the future to make an annual determination of the location of the shifting State line between the States of Mississippi and Louisiana, based upon such studies, and to thereafter adjust the payment of royalties annually in accordance with the new location of the State line.

XXXI

Complainant would show that all of the Defendants, other than the State of Louisiana and Pruet & Hughes Company also have an interest in the minerals and royalties underlying the bed of the Mississippi River lying between the shifting State line and the bank of the Mississippi shore and upon information and belief Complainant charges that the Defendant, Pruet & Hughes Company has not been paying these Defendants their proportionate part of the royalty and oil payments as set out in Paragraph XIV above. For the purpose of finally adjudicating all disputes as to the ownership of the royalties, oil payments and other payments that are due under the terms of the leases attached as Exhibits "A" and "B" hereto, your Complainant has named all of said parties having such an interest as Defendants to this proceeding and ask that they be realigned as Party Complainants.

XXXII

Complainant charges that the refusal of the Defendant, Pruet & Hughes Company to pay to Complainant his proportionate part of the royalties to which he is entitled as shown above, is a wilful and wanton disregard of the rights of Complainant and Complainant is entitled to punitive damages in the sum of \$100,000.00 and attorneys fees.

WHEREFORE PREMISES CONSIDERED, Complainant respectfully prays:

1. That process be issued to the Defendants, herein, requiring them to answer plead or demur to this complaint at the _____ term of this Honorable Court, answer under oath being waived.

2. That upon a final hearing Complainant be adjudicated to be the owner of one-third of the oil, gas and other minerals in, on and under that portion of the bed of the Mississippi River lying between his Mississippi bankline (left descending bank of the Mississippi River) and the State line between the States of Mississippi and Louisiana and that the State line locations be adjudicated to be those locations as described in Exhibit "E" to this complaint at the respective times shown.

3. That the Defendant, Pruet & Hughes Company, be required to make an accounting to this Court of all oil, gas and other minerals produced from the well known as State of Louisiana, Well Number 3, as well as any other wells which may be draining the lands of Complainant with the sales price received by it from the sale of said minerals, and that Complainant be paid one-third portion of the royalty from such production attributable to his ownership of the bed of the Mississippi River as the State line migrated westward.

4. That all Defendants other than Pruet & Hughes Company and the State of Louisiana be re-aligned as parties Complainant.

5. That upon final hearing a Decree be entered herein adjudicating the amount of indebtedness owed by Pruet & Hughes Company to this Complainant and that a judgment for said amount with legal interest be entered in favor of your Complainant.

6. That a mandatory injunction be entered requiring the Defendant, Pruet & Hughes Company, in the future, to make annual redeterminations of the State line between the States of Mississippi and Louisiana and to adjust the royalties payable to Complainant accordingly.

7. Complainant demands judgment against the Defendant, Pruet & Hughes Company in the sum of \$100,000.00 together with reasonable attorneys fees and expenses, all as punitive damages.

8. If Complainant has asked for inadequate or insufficient relief, he prays for such other further and general relief to which he may be entitled in the premises, and as in duty bound he will ever pray.

WARD, MARTIN, TERRY AND WAY
POST OFFICE BOX 789
VICKSBURG, MISSISSIPPI 39180

BY: _____
ATTORNEYS FOR COMPLAINANT

STATE OF MISSISSIPPI
COUNTY OF _____
COMPLAINANT

PERSONALLY appeared before me, the undersigned Notary Public, in and for the jurisdiction above, Avery B. Dille, Jr., who being first duly sworn, deposes and states upon oath that he has read the foregoing Bill of Complaint and that the matters and things therein set out are true and correct, except as to those matters stated upon information and belief, and as to those he verily believes the same to be true.

AVERY B. DILLE, JR.

SWORN to and subscribed before me this the _____ day
of _____, 1979.

NOTARY PUBLIC

My Commission Expires:

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 20th day of January 1971 between
AVERY B. DILLE, JR.

Lessor (whether one or more) whose address is:
and DAVE GAMMILL, P. O. Box 92, Jackson, Mississippi 39205 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other good and valuable considerations Dollars
(to be paid in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets
exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying
pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said
products, and having its employees, the following described land in Adams County, Mississippi, to-wit:

120 acres as shown and signed for identification on the
attached plat marked Exhibit "A" to this Lease. Said
lands being a portion of the Elysian Fields Plantation
and being located in Township 8 North, Range 3 West,
Adams County, Mississippi.

* Paragraph No. 3 of this lease is hereby amended to read
one-quarter (1/4) royalty instead of the one-eighth (1/8)
royalty printed therein.

NOTWITHSTANDING the provisions of Paragraph 2, of this lease,
if upon the expiration of the primary term hereof, oil, gas or other minerals
are being produced from said land, this lease shall continue in force after
the primary term only so long as the Lessee shall conduct continuous drill-
ing operations, as the term is hereinafter defined, for oil, or gas, on said
lands or acreage pooled therewith. The term "continuous drilling operations"
as herein used means the commencement of actual drilling of a well within
six months after the expiration of the primary term hereof, and thereafter
drilling of wells with not more than six months elapsing between the comple-
tion of a well and the commencement of actual drilling of the next succeeding
well; each well drilled and completed on said land or acreage pooled therewith
by Lessee, whether or not productive, shall thus operate to extend the lease
in force in its entirety for a period of six months next following the date of
its completion; and provided, further, that the six months allowed between
the completion of one well and the commencement of actual drilling of another
well shall be accumulative as to two consecutive wells, that is, if a well is
commenced sooner than six months after the completion of the preceding
well, the time so saved shall be added to the six months allowed for commence-
ment of actual drilling of a subsequent well, but in no event to exceed a total
of twelve months. If and when Lessee shall fail or cease to conduct continuous
drilling operations upon said lands, as above defined, this lease shall there-
upon terminate in its entirety, save and except each producing unit, if any,
on which a well has been completed in accordance with the provisions of this
lease and from which well oil or gas is then being produced in paying quantities.

With reference to the Lessee's right of pooling and pooling rights
hereunder, the Lessee does covenant and agree that as to any and all acreage
pooled, and from time to time, the Lessee shall not have the right of pooling
unless at least fifty (50) percent of the lands comprising a drilling unit shall
consist of lands described under this lease are pooled in said unit or units, with
the royalty due Lessor hereunder. Notwithstanding anything to the contrary
contained in the printed form of this lease, it is further distinctly agreed
and understood that with reference to pooling rights, that the pooling of any
portion of the Lessor's land, and in the event of production with the land so
pooled, the same shall not have the effect of keeping this lease in force and
effect as to the remainder of Lessor's land hereby leased, but rather, shall
keep this lease in force and effect only as to the land of Lessor actually
pooled with other land on which there is a producing oil or gas well. It is
also understood and agreed that the fifty (50) percent pooling provision
described hereinabove may be reduced as to each drilling unit only upon
written consent of the Lessor.

With reference to Paragraph 3 of the printed form of this lease,
while there is a gas well or wells on this lease, or on acreage pooled therewith,
but gas is not being sold, the Lessee shall pay to Lessor the sum of Five
Hundred Dollars (\$500.00) per well per year for each of such shut-in gas well

If there be any producing units so excepted from termination of this lease upon failure or cessation on the part of Lessee to conduct continuous drilling operations upon this land, as aforesaid, then this lease shall thereafter continue in force only insofar as it covers each prospective producing unit as long as, and not after, oil or gas is being produced in paying quantities from a well located upon such unit. Provided, however, that if production of oil or gas in paying quantities upon any aforesaid excepted producing unit or units,

should thereafter cease from any cause, and if Lessee commences additional drilling or reworking operations on such producing unit within sixty (60) days after such cessation of production, this lease shall remain in force, insofar as it covers such producing unit, as long as the same are prosecuted with reasonable diligence and with no cessation in any event more than sixty (60) days, and if it results in the production of oil or gas in paying quantities on a producing unit, then this lease insofar as it covers the particular unit in question, shall remain in force so long thereafter as such production of the kind above specified shall continue in paying quantities. If any of the hereinabove described terms and provisions of this lease are not complied with and upon written notice, Lessee or his assigns shall within sixty (60) days after receipt of said written notice release to Lessor all of the lands included in this lease except said lands being in a producing unit as hereinabove described.

It is also agreed by and between Lessor and Lessee that for the use of the surface rights owned by Lessor, Lessee covenants and agrees to pay Lessor the sum of \$500.00 for each oil or gas well drilled upon the premises herein leased. Said payment to be made, in cash, five days before the commencement of drilling of any well upon the leased premises.

It is also agreed by and between the Lessor and Lessee that for the use of the surface of Lessor's land that Lessee agrees to pay Lessor the sum of \$150.00 per month to place tank batteries and treater sites upon the surface of Lessor's land and for the use of roads and roadways upon the surface of the Lessor's land, said payment to be made, in advance, on a monthly basis prior to the installation of any tank batteries or treaters upon the surface of the properties owned by Lessor; and Lessee further agrees to gravel and keep in proper repair all roads used by Lessee.

Lessee herein agrees that it shall and will, upon the completion of the drilling of any well hereunder, reasonably restore said premises to a satisfactory condition and will fence any and all pits for the protection of livestock; and Lessee further agrees to install a metal cattle gap, customarily used in the areas, at any boundary fence prior to moving a drilling rig upon the premises; and upon request by Lessor to Lessee to place suitable gates at any boundary fence and to keep the same locked at all times when not being used by Lessee.

In drilling any well or wells on the leased premises, the Lessee by its acceptance of the fruits of this lease covenants and agrees that he will use existing roads and roadways wherever and whenever feasible.

Lessee covenants that Lessee will conduct all drilling and producing operations in good and workmanlike manner. That Lessee will pay reasonable damages for crops, pastures and timber destroyed in such drilling or producing operations. That Lessee will control the disposal of salt water and pay reasonable damages for losses resulting to Lessor from the escape of oil or oily waste or salt water. That it will back-fill all pits and excavations when not otherwise used for drilling or producing operations hereunder and will otherwise restore the lands as near as practicable to the conditions in which the said lands were prior to such operations, reasonable uses for the purposes and during the time of such operations excepted. These covenants are in addition to all other covenants and conditions expressed or implied contained in the within oil, gas and mineral lease.

BOOK 142 PAGE 355

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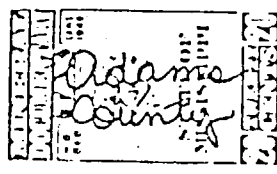
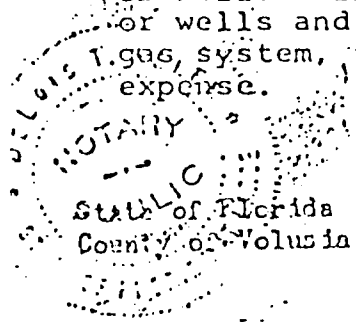
This lease covers all oil and gas rights in, on and under the lands hereinabove described from the surface of the ground down to the base of the Wilcox formation; all oil and gas below said depth in said lands, and all of the rights appertaining thereto; expressly excepted from this lease and reserved to Lessor, his heirs and assigns. The parties hereto, their respective heirs, successors and assigns, shall have equal and concurrent rights of ingress and egress and use of the surface (upon the terms and conditions set forth in this lease) for the purpose of exploring, drilling for, mining, producing, storing, and marketing oil and gas from their respective depths, above specified.

The warranty of paragraph (10) hereof is limited to such right title and interest as is held by Lessor, as shown by the Land Records in the Office of the Chancery Clerk of Adams County, Mississippi.

Lessee agrees to promptly pay the surface owner of the actual value of all timber felled by Lessee in the conduct of his operations hereunder.

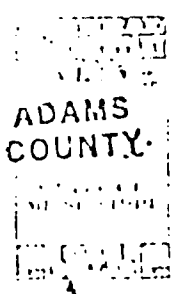
In connection with any tank battery or treater site or sites to be placed upon the surface of Lessor's premises, it is agreed by and between the parties that all tank battery and treater sites shall be placed in an area where existing tank battery sites are now located if said production equipment can be located on the existing site or sites. If, according to the Lessee, or his Assigns, said production equipment cannot economically or reasonably be placed on any existing tank battery sites, then Lessee or his Assigns and Lessor shall mutually agree upon a more suitable tank battery site. Lessor shall not withhold his consent as to the location of any tank battery site or sites other than the existing tank battery site or sites, as long as Lessee or his Assigns have made a reasonable attempt to place said tank battery site or sites at a mutually agreeable location with the Lessor.

The Lessor shall have the right to use, free of cost, gas from any well producing gas, for heating Lessor's home and other general domestic use in any building now situated on said property, so long as Lessee or his Assigns do not actually need said gas for producing said well or wells. If said Lessor is using the gas for his hereinabove described needs and Lessee or his Assigns deems it necessary to use said gas in producing the well or wells, then Lessee or his assigns shall give Lessor written notice of such a need and Lessor will immediately discontinue the use of any such gas from the well or wells being produced. Lessor is to make connections with the well or wells and run any necessary pipe or pipes to Lessor's existing gas system, the use of said gas to be at Lessor's sole risk and expense.



SIGNED FOR IDENTIFICATION

Avery B. Dille, Jr.
AVERY B. DILLE, JR.



2. Subject to the other provisions herein contained, this lease shall be for a term of 10 years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or lands with which said land is pooled hereunder.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to develop and operate said premises in compliance with any lawful spacing rules which may be prescribed for the field in which this lease is situated by any duly authorized authority, or when to do so would, in the judgment of Lessee, promote the conservation of the oil and gas in and under and that may be produced from said premises. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit 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. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

unit involved

[illegible][illegible]

6. If prior to discovery of oil, gas or other mineral on said land or on acreage pooled therewith Lessee should drill a dry hole or holes thereon, or if after discovery of oil, gas or other mineral, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within 60 days thereafter or if it be within the primary term, commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of 60 days from date of completion of dry hole or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas or other mineral on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, the lease shall remain in force as long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within one hundred fifty (150) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or 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. When required by Lessor, Lessee will bury all pipe lines below ordinary 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. Lessee shall be responsible for all damages caused by Lessee's operations hereunder other than damages necessarily caused by the exercise of the rights herein granted.

10. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rental hereunder, Lessee may pay or tender such rentals to the credit of the decedent or the estate of the decedent until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it that the estate of the decedent has been administered and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental here or devisees of the decedent, and tender and rental jointly to such persons or at their joint credit in the depository named herein; or, at Lessee's election, a proportionate part of said rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several lessorhold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other lessorhold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

147 358



RIVER

"Mississippi Power
B Light Co."
47 Ac.

LOUISIANA
MISSISSIPPI

David Junkin Ls.

1865

State of Louisiana Is.

Dille 1/2 Ls.

MOSES TRACT

Northeast Corner Section 21, T8N-R3W²

Scale: 1" = 1000'

"CLERMONT, PLANTATION"
"Giles"

STATE OF MISSISSIPPI,
ADAMS COUNTY

ROBERT E. BURNS, Clerk of the Chancery Court of said County, hereby certify that the foregoing instrument of writing was filed in my office for record on the 7 day of JULY, 1971 at 4:00 o'clock

P. M., and duly recorded in OIL & GAS Book No. 147 Page. 53

WITNESS my hand and Seal of said Court, this 7 day of JULY, 1977.

ROBERT E. BURNS, Clerk

D. C.

Form D-2823 (Revised Oct. 1, 1945) With Pooling Provision.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 20th day of JANUARY 1971, between
HENRY W. DILLE, Individually, and as Attorney-in-Fact for
RICHARD T. DILLE

(whether one or more) whose address is: EL PASO, TEXAS
DAVE GAMMILL, P. O. Box 92, Jackson, Mississippi Lessee. WITNESSETH:

Lessor in consideration of Ten and other good and valuable considerations Dollars

0.00. In hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets
only unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying
out, building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said
oil, gas and other minerals, the following described land in Adams County, Mississippi, to-wit:

120 Acres as shown and signed for identification on the
attached plat marked Exhibit "A" to this Lease. Said
lands being a portion of the Elysian Fields Plantation
and being located in Township 8 North, Range 3 West,
Adams County, Mississippi.

lease *7/4*

* Paragraph No. 3 of this/is hereby amended to read
one-quarter (1/4) royalty instead of the one-eighth
(1/8) royalty printed therein.

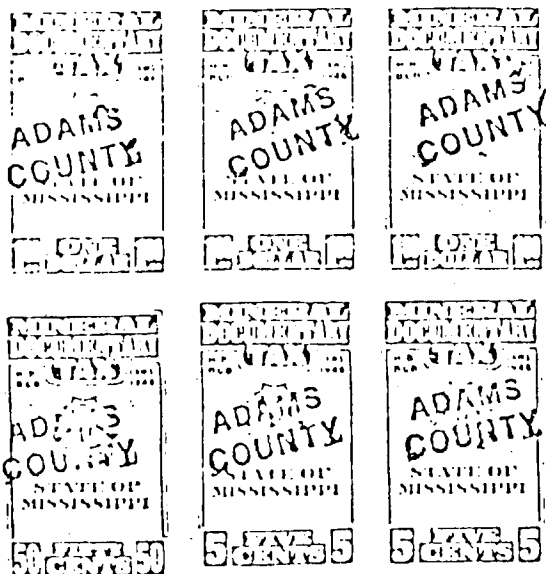
NOTWITHSTANDING the provisions of Paragraph 2, of this lease,
if upon the expiration of the primary term hereof, oil, gas or other minerals
are being produced from said land, this lease shall continue in force after
the primary term only so long as the Lessee shall conduct continuous drill-
ing operations, as the term is hereinafter defined, for oil, or gas, on said
lands or acreage pooled therewith. The term "continuous drilling operations"
as herein used means the commencement of actual drilling of a well within
six months after the expiration of the primary term hereof, and thereafter
drilling of wells with not more than six months elapsing between the comple-
tion of a well and the commencement of actual drilling of the next succeeding
well; each well drilled and completed on said land or acreage pooled therewith
by Lessee, whether or not productive, shall thus operate to extend the lease
in force in its entirety for a period of six months next following the date of
its completion; and provided, further, that the six months allowed between
the completion of one well and the commencement of actual drilling of another
well shall be accumulative as to two consecutive wells, that is, if a well is
commenced sooner than six months after the completion of the preceding
well, the time so saved shall be added to the six months allowed for commence-
ment of actual drilling of a subsequent well, but in no event to exceed a total
of twelve months. If and when Lessee shall fail or cease to conduct continuous
drilling operations upon said lands, as above defined, this lease shall there-
upon terminate in its entirety, save and except each producing unit, if any,
on which a well has been completed in accordance with the provisions of this
lease and from which well oil or gas is then being produced in paying quantities.

With reference to the Lessee's right of pooling and pooling rights hereunder, the Lessee does covenant and agree that as to any and all acreage pooled, and from time to time, the Lessee shall not have the right of pooling unless at least fifty (50) percent of the lands comprising a drilling unit shall consist of lands described under this lease are pooled in said unit or units, with the royalty due Lessor hereunder. Notwithstanding anything to the contrary contained in the printed form of this lease, it is further distinctly agreed and understood that with reference to pooling rights, that the pooling of any portion of the Lessor's land, and in the event of production with the land so pooled, the same shall not have the effect of keeping this lease in force and effect as to the remainder of Lessor's land hereby leased, but rather, shall keep this lease in force and effect only as to the land of Lessor actually pooled with other land on which there is a producing oil or gas well. It is also understood and agreed that the fifty (50) percent pooling provision described hereinabove may be reduced as to each drilling unit only upon written consent of the Lessor.

With reference to Paragraph 3 of the printed form of this lease, while there is a gas well or wells on this lease, or on acreage pooled therewith, but gas is not being sold, the Lessee shall pay to Lessor the sum of Five Hundred Dollars (\$500.00) per well per year for each of such shut-in gas well or wells.

If there be any producing units so excepted from termination of this lease upon failure or cessation on the part of Lessee to conduct continuous drilling operations upon this land, as aforesaid, then this lease shall thereafter continue in force only insofar as it covers each prospective producing unit as long as, and not after, oil or gas is being produced in paying quantities from a well located upon such unit. Provided, however, that if production of oil or gas in paying quantities upon any aforesaid excepted producing unit or units,

should thereafter cease from any cause, and if Lessee commences additional drilling or reworking operations on such producing unit within sixty (60) days after such cessation of production, this lease shall remain in force, insofar as it covers such producing unit, as long as the same are prosecuted with reasonable diligence and with no cessation in any event more than sixty (60) days, and if it results in the production of oil or gas in paying quantities on a producing unit, then this lease insofar as it covers the particular unit in question, shall remain in force so long thereafter as such production of the kind above specified shall continue in paying quantities. If any of the hereinabove described terms and provisions of this lease are not complied with and upon written notice, Lessee or his assigns shall within sixty (60) days after receipt of said written notice release to Lessor all of the lands included in this lease except said lands being in a producing unit as hereinabove described.



SIGN FOR IDENTIFICATION

Henry W. Dille
HENRY W. DILLE

Henry W. Dille
HENRY W. DILLE as Attorney-in-Fact for RICHARD T. DILLE

120

one, 1933, year

3. The royalties to be paid by Lessee are: (a) on oil ~~produced~~ of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessee into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession,

5. If the market price thereafter prevailing for the field where the gas is sold on the date of purchase, in either case, is insufficient to bear its proportion of any cost of treating unmerchantable oil to render it merchantable as crude; (b) on gas, including casinghead gas or other gaseous substance, produced from any land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of origin of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 25% of the amount realized from such sale; where gas from a gas well is not sold or used, Lessee may pay as royalty \$100.00 per well per year and if such payment is made it will be considered that gas is being produced within the meaning of Paragraph 2 hereof; and (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed, the royalty shall be fifty cents (50¢) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. Lessor shall have the privilege at his risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder. *

4. Lessee, at its option, is hereby given the right and power to pool, or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to develop and operate said premises in compliance with any lawful spacing rules which may be prescribed for the field in which this lease is situated by any duly authorized authority, or when to do so would, in the judgment of Lessee, promote the conservation of the oil and gas in and under and that may be produced from said premises. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit 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. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessee shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

#*****#

XX XXXX XXXX

[illegible]

[illegible][illegible][illegible]

X-NOCC--has been in the (m) and has been in the p.m. with the the rest of the party in the p.m.

6. If prior to discovery of oil, gas or other mineral on said land or on acreage pooled therewith, Lessee should drill a dry hole or holes thereon, or if after discovery of oil, gas or other mineral, the production thereof should be less than the amount of royalty or bonus payable by Lessee, then, if Lessee commences additional drilling or reworking operations on said land, the term of this lease shall be extended for a period of sixty (60) days from the date of completion of such drilling or reworking operations for drilling or reworking on or before the rental paying day of the primary term, commences or resumes the payment or tender of rentals or commences or resumes operations for drilling or reworking on or before the rental paying day of the primary term, or the expiration of the primary term, or the expiration of the lease or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term, or the expiration of the primary term, or the expiration of the lease or cessation of production, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, the lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral, as long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within one hundred fifty (150) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or 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. When required by Lessor, Lessee will bury all pipe lines below ordinary 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. Lessee shall be responsible for all damages caused by Lessee's operations hereunder other than damages necessarily caused by the exercise of the rights herein granted.

5. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased, and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein; or, at Lessee's election, the proportionate part of said rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a severed portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____ 19____

No. Acres _____

County, Mississippi _____

Term _____

This instrument was filed for record on the _____

day of _____ 19____, at _____

_____ o'clock _____ M., and duly recorded in _____

Book _____, Page _____

of the _____ records of this office.

By _____, Deputy Clerk

Chancery Clerk.

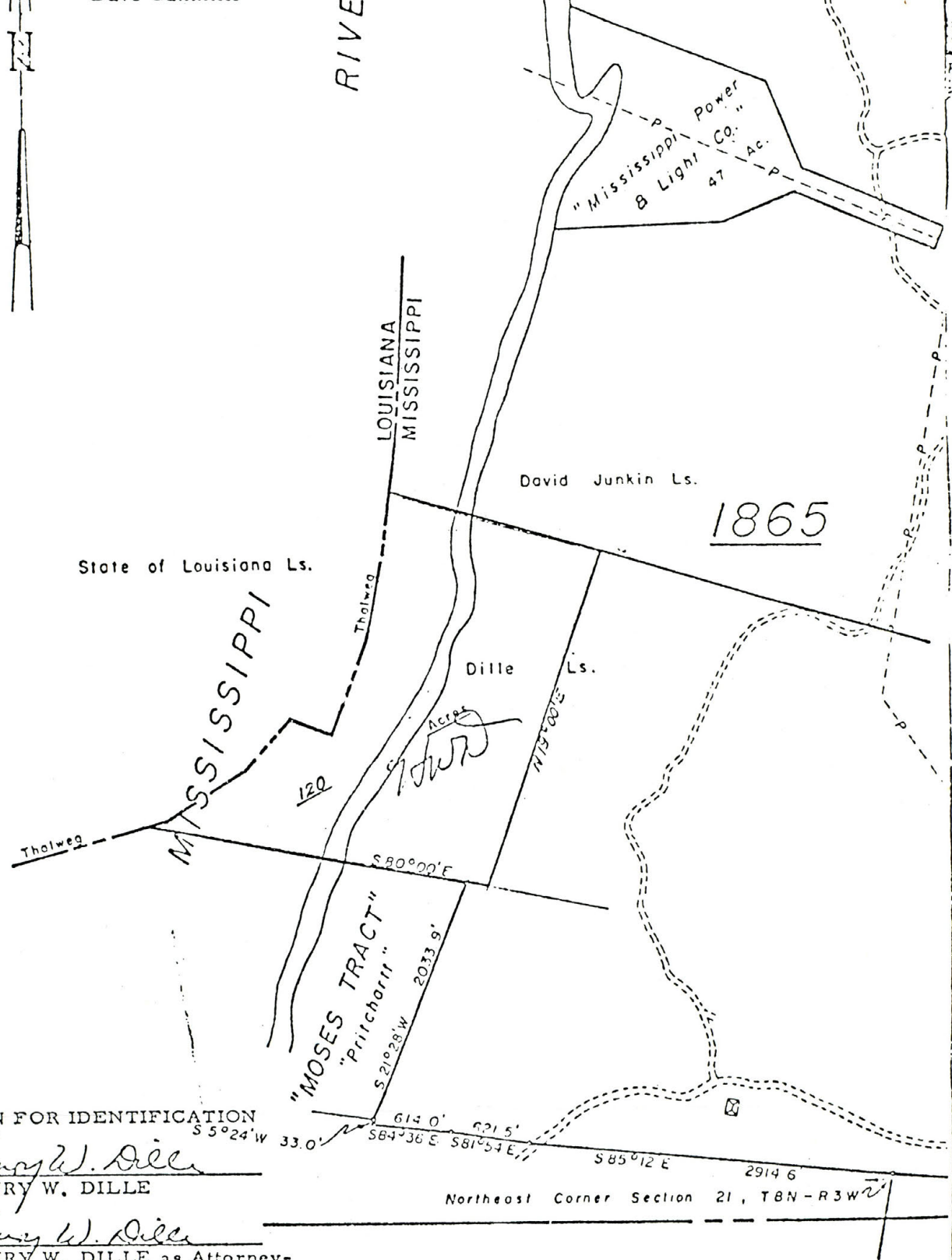
When recorded return to _____

EXHIBIT "A"
to
Oil, gas and mineral lease
dated January 20, 1971
from Henry W. Dille, individually
and as Attorney-in-Fact for
Richard T. Dille in favor of
Dave Gammill

BOOK 146 PAGE 345



RIVER



SIGN FOR IDENTIFICATION
S 5° 24' W 33.0'
Henry W. Dille
HENRY W. DILLE

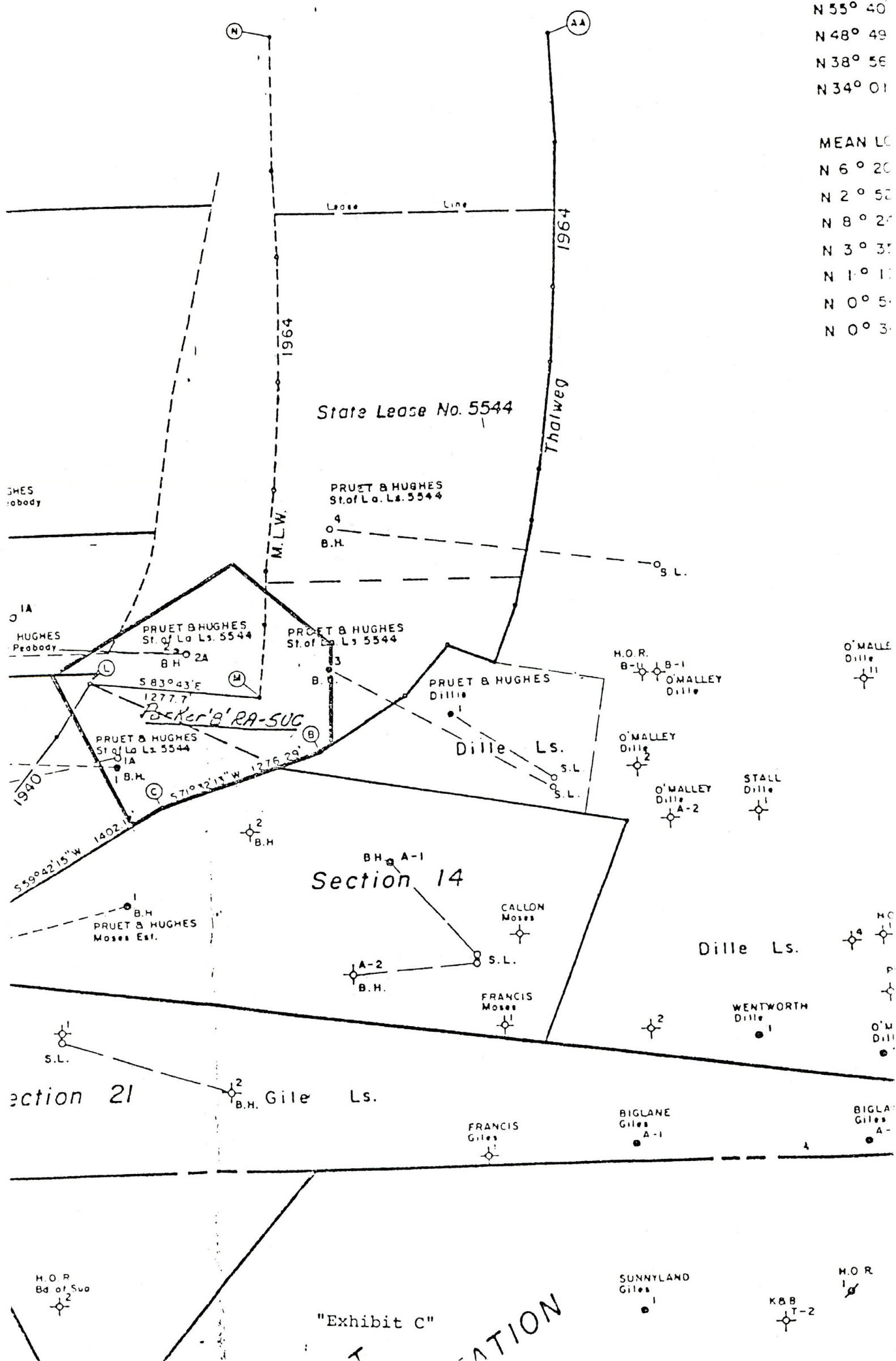
Henry W. Dille
HENRY W. DILLE as Attorney-in-Fact for Richard T. Dille

Scale: 1" = 1000'

"CLERMONT PLANTATION"
"Giles"

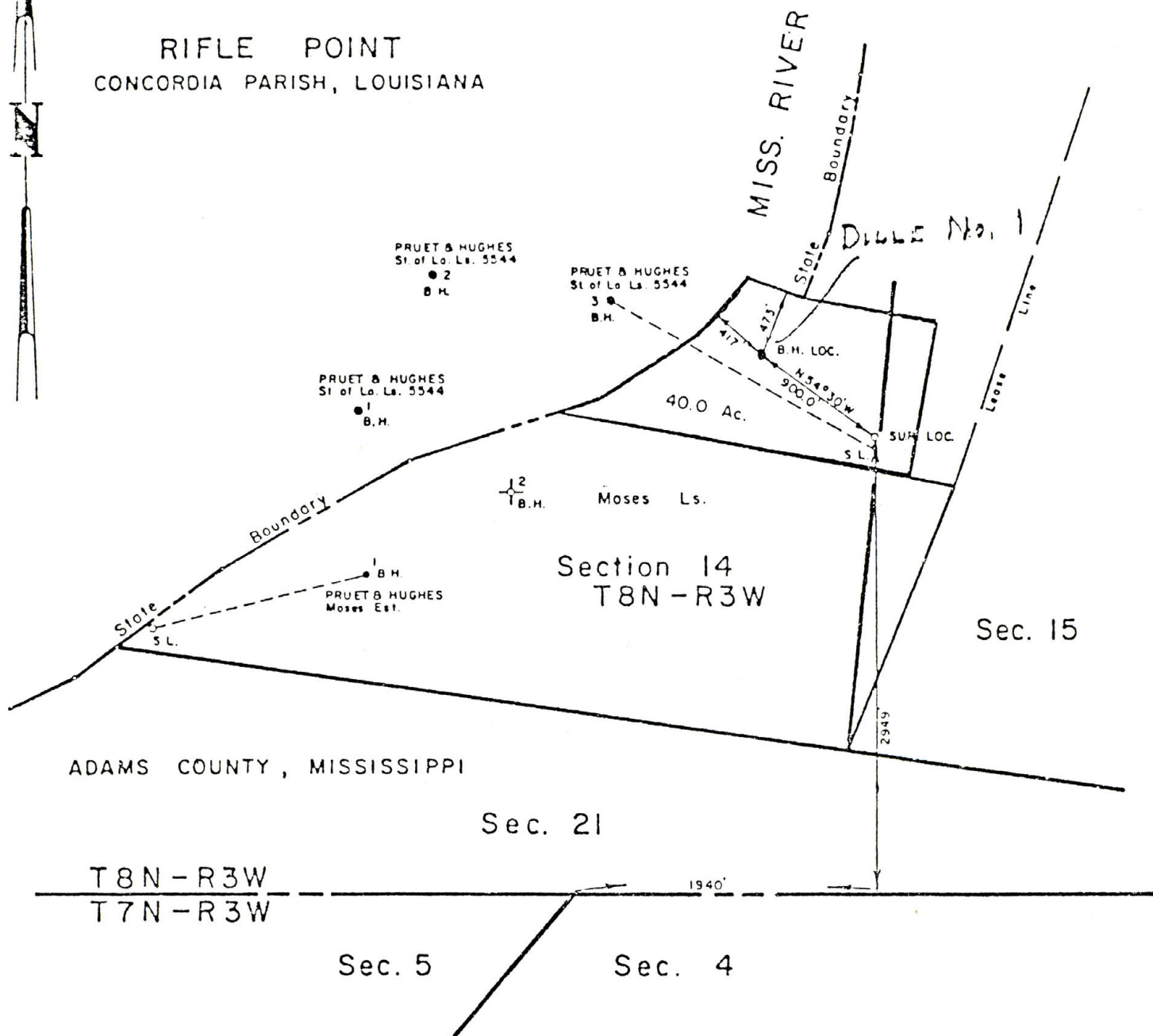
STATE OF MISSISSIPPI
ADAMS COUNTY

I, ROBERT E. BURNS, Clerk of the Chancery Court of said County, hereby certify that the foregoing instrument of writing was filed in my office for record on the 25 day of February, 1971 at 10:30 o'clock
My hand and Seal of Office this 25 day of February, 1971
WITNESS my hand and Seal of Office this 25 day of February, 1971
ROBERT E. BURNS, Clerk



NOTE: The drilling unit shown hereon lies totally within the confines of a rectangle 2314.46 feet by 1094.44 feet.

RIFLE POINT
CONCORDIA PARISH, LOUISIANA



DESCRIPTION OF LOCATION: From the most easterly corner of Section 5, T7N-R3W, Adams County, Mississippi, go East along the north boundary of T7N-R3W for 1940 feet; thence North at right angles for 2949 feet to surface location in Section 14, T8N-R3W; thence N 54° 30' W for 900.0 feet to bottom hole location.

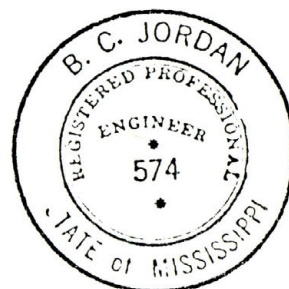
B. C. Jordan, Jr.
B. C. Jordan, Jr., Reg. C.E. No. 574

RECEIVED
NOV 18 1971
STATE OIL & GAS BOARD

GILES BEND FIELD

Well Location For
PRUET & HUGHES CO.
Dille No. 1
in

Section 14, T8N-R3W
Adams County, Mississippi



STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

April 23, 1975

ORDER NO. 887-B

Order concerning rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the GILES BEND FIELD, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a public hearing held in Shreveport, Louisiana, on April 10, 1975, under Docket No. 75-87, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells and otherwise to carry out the provisions of the laws of this State.

D E F I N I T I O N

The Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the depths of 5,622 feet and 5,662 feet (electrical log measurements) in the Pruet & Hughes (originally Dave Gammill) No. 1 Learned-Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

F I N D I N G S

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste, and to avoid the drilling of unnecessary wells.
2. That the available geological and engineering data indicate that the units, all as more particularly shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," are reasonable and should be adopted; that each unit can be efficiently and economically drained by one well located thereon and that creation of such units should reasonably assure to each separate tract its just and equitable share of the contents of the reservoir.
3. That the separately owned tracts, mineral leases and other property interests within the unit created herein should be force pooled and integrated with each separate tract sharing in unit production on a surface acreage basis of participation.

4. That any wells drilled to the Parker B Sand, Reservoir A, outside of the units herein established should be located in accordance with Statewide Order No. 29-E.
5. That the wells as shown on the unit plat should be designated as the unit wells for the respective units in which they are located.
6. That Pruet & Hughes Company should be designated as operator of the units created herein.

O R D E R

NOW, THEREFORE, IT IS ORDERED THAT:

1. The drilling and production units shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," attached hereto and made a part hereof, be and they are hereby approved and adopted as drilling and production units for the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

The units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above exhibit and made a part of this order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims, and shall not affect any other acreage in separately owned tracts in the units.

The survey plat for each unit shall be prepared in accordance with the requirements for unit plats and survey plats adopted by the Commissioner of Conservation. It is recognized that the exterior boundary lines of the units, as surveyed, may differ from those lines as shown on the attached plat because of the requirement that by survey the geologically significant wells be correctly located with respect to each other and to the unit boundary lines that they control.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is situated. Also, all operations on and production from each unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

3. The unit wells are designated in accordance with Finding No. 5 hereof.

4. The operator of the units hereby established is designated in accordance with Finding No. 6 hereof.

5. Any wells drilled to the Parker B Sand, Reservoir A, outside of the units hereby established shall be located in accordance with Finding No. 4 hereof.

6. Except as they may be in conflict herewith, the provisions of the applicable Statewide Orders shall govern the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

7. When there is obtained additional geological and engineering information indicating a required change or revision in the unit boundaries as adopted herein, or which would indicate a required change or revision of other provisions of this order, then the party or parties in possession of this additional information shall petition the Commissioner of Conservation for a public hearing for the purpose of considering appropriate changes.

This Order shall be effective on and after
April 10, 1975.

DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA



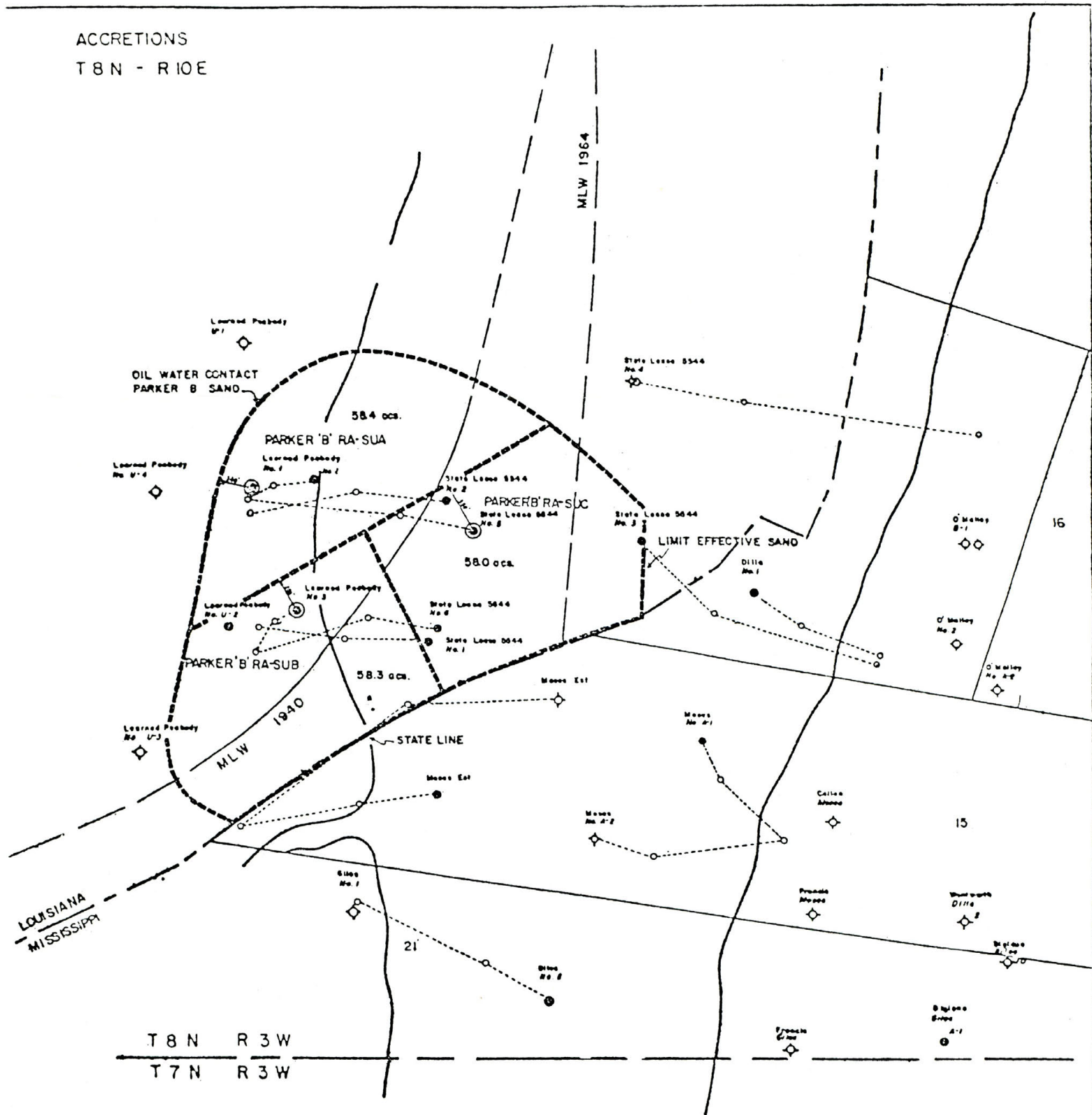
R. T. SUTTON
COMMISSIONER OF CONSERVATION

FJB

R&R - Oil

Pruet & Hughes
Company Exhibit No. 4
for Docket No. 75-87
attached.

ACCRETIONS
T 8 N - R 10 E



NOTE: WELL NAMES AND MEAN LOW WATER DESIGNATIONS AS SHOWN ON THIS PLAT DO NOT INDICATE LAND OR LEASE BOUNDARIES OR OWNERSHIP

LEGEND:
DEVIATED HOLES

PROPOSED UNIT WELL

ORDER NO. 887-B

PRUET & HUGHES COMPANY

GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
ADAMS COUNTY, MISSISSIPPI

PROPOSED PARKER 'B' SAND UNITS

0 500 1000 1500

EXHIBIT NO 4 DATE: 4 - 10 - 75

DOCKET NO 75-87

STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

February 21, 1972

ORDER NO. 887-A

Order establishing rules and regulations and creating
drilling and production units for the Parker "A" Sand,
Giles Bend Field, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a Public Hearing held under Docket No. 72-40, in Shreveport, Louisiana, on January 27, 1972, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the oil and gas resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells, and otherwise, to carry out the provisions of the laws of this State.

DEFINITION

The Parker "A" Sand in the Giles Bend Field is hereby defined as that oil bearing sand encountered between the depths of 5,612 feet and 5,619 feet (electric log measurements) in the Pruet & Hughes Company (originally Dave Gammill) #1 Learned Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of drilling and production units for the Parker "A" Sand in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste and to avoid the drilling of unnecessary wells.

2. That all available geological and engineering data indicate that the drilling and production units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-40," which plat is the same as applicant's Exhibit #4 with the exception of SU K and the additional SU L, are reasonable and should be adopted; that each such unit can be efficiently and economically drained by one well, and that the creation of such units should reasonably insure to each separate tract therein its just and equitable share of the reservoir content.

3. That evidence at the hearing indicated SU K of applicant's Exhibit #4 should be enlarged to take in acreage productive of Parker "A" Sand. SU L should be added in order to accommodate any future drilling which may be contemplated in that area.

4. That the separately owned tracts, mineral leases and other property interests within the units created herein should be force pooled and integrated in accordance with Section 10 of Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in production on a surface acreage basis of participation.

5. That unit wells for the units herein created should be designated as follows:

PARKER "A" SU E - Pruet & Hughes - State Lease 5544 #3 Well;
PARKER "A" SU J - Pruet & Hughes - Learned Peabody #U-2 Well;
PARKER "A" SU K - Pruet & Hughes - State Lease 5544 #1 Well.

6. That Pruet & Hughes' Company should be designated as operator of all of the units created herein, except SU L.

7. That any wells hereafter drilled to the Parker "A" Sand, either upon or adjacent to the units established herein, should be located in accordance with State-wide Order No. 29-E, except that the locations of the unit wells already drilled, and referred to in Finding No. 5 above, should be approved. Further, if any Armstrong Sand wells now completed which may be recompleted as Parker "A" Sand wells, then such wells should also be approved as unit wells.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. The units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-40," attached hereto and made a part hereof, be and the same are hereby approved and adopted as drilling and production units for the production of oil from the Parker "A" Sand in the Giles Bend Field, Concordia Parish, Louisiana.

These units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above Exhibit and made a part of this Order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims and shall not affect any other acreage in separately owned tracts in the unit.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is located. Also, all operations on and production from each such unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

3. Unit wells are hereby designated in accordance with Finding No. 5 above.

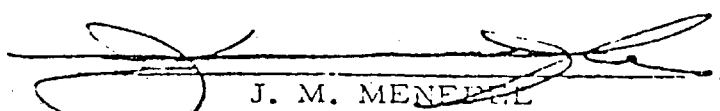
4. Pruet & Hughes Company is hereby designated as unit operator of all of the units created herein, except SU L.

5. Any wells drilled to the Parker "A" Sand, either upon or adjacent to the units established herein, shall be located in accordance with Finding No. 7 hereof.

6. Except as they may be in conflict herewith, the provisions of all applicable Statewide Orders shall govern the exploration for and production of oil from the Parker "A" Sand in the Giles Bend Field, Concordia Parish, Louisiana, as well as the method of allocating allowable production.

This Order shall be effective on and after February 1, 1972.

DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA

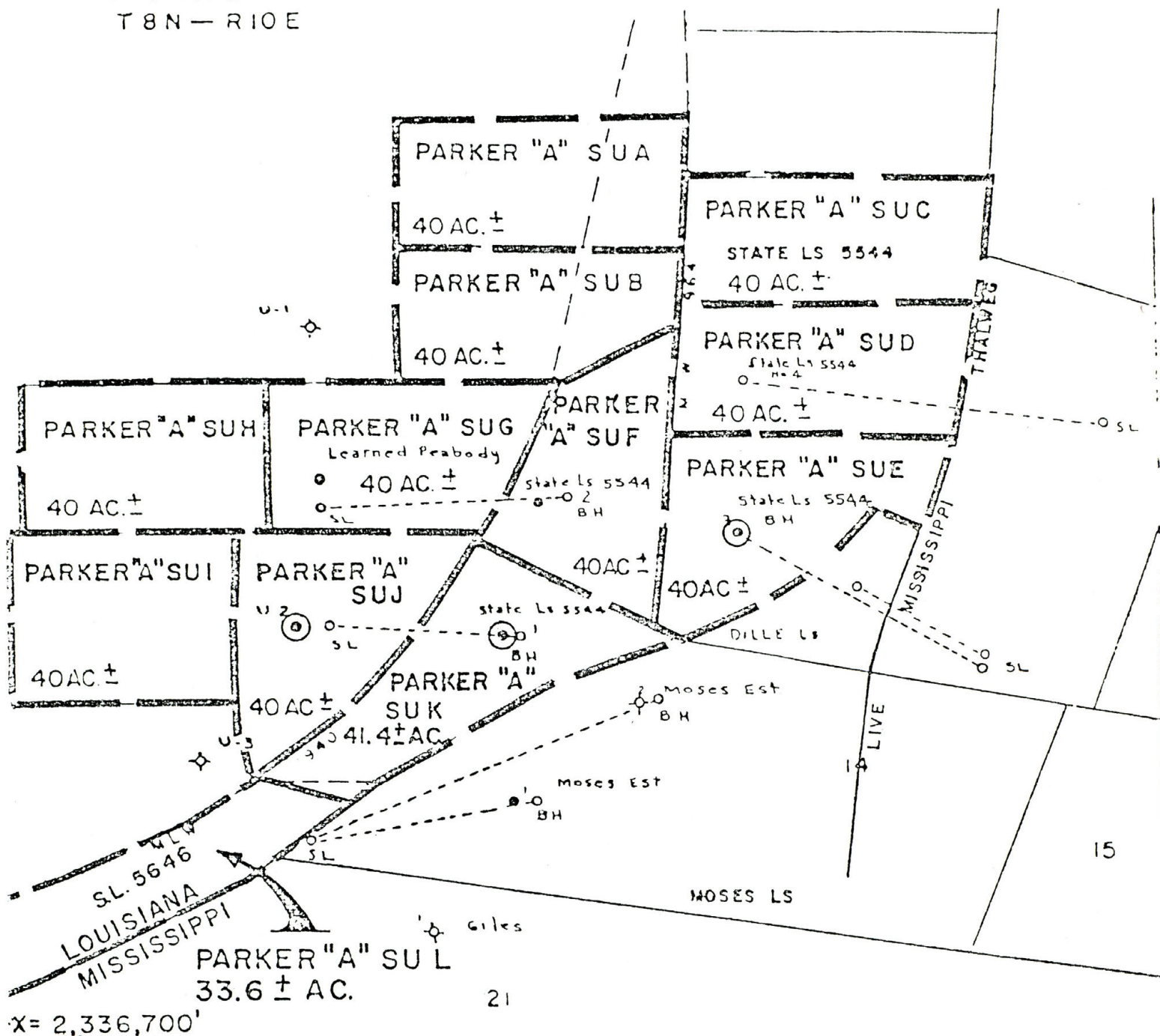

J. M. MENEFFEL
COMMISSIONER OF CONSERVATION

(FJB/tr-2/21/72)

State Ex. "A" - Att.

R&R - Oil

ACCRETIONS
T 8 N - R 10 E



T 8 N - R 3 W
T 7 N - R 3 W

GILES LS

STATE EXHIBIT "A"
GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
PARKER "A" SAND UNITS

HEARING DOCKET NO. 72-40
ORDER NO. 887-A
SCALE - FEET

NOTE: WELL NAMES AND MEAN LOW WATER
DESIGNATIONS AS SHOWN ON THIS PLAT
DO NOT INDICATE LAND OR LEASE
BOUNDARIES OR OWNERSHIP

1000 0 1000 2000 3000
DEPARTMENT OF CONSERVATION, LOUISIANA GEOLOGICAL SURVEY

FEB. 17, 1972

DATE: 1-27-72
DOCKET
NO. 72-40

Dept. of Conservation Hearing Jan. 27, 1972
Base map after Pruett & Hughes Co. Ex. 4

STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

February 21, 1972

ORDER NO. 887

Order establishing rules and regulations and creating
drilling and production units for the Armstrong Sand,
Giles Bend Field, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a Public Hearing held under Docket No. 72-39 in Shreveport, Louisiana, on January 27, 1972, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the oil and gas resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells and, otherwise, to carry out the provisions of the laws of this State.

DEFINITION

The Armstrong Sand in the Giles Bend Field is hereby defined as that oil bearing sand encountered between the depths of 5,504 feet and 5,558 feet (electric log measurements) in the Pruet & Hughes Company (originally Dave Gammill) #1 Learned Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of drilling and production units for the Armstrong Sand in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste and to avoid the drilling of unnecessary wells.

2. That all available geological and engineering data indicate that the drilling and production units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-39," which plat is the same as applicant's Exhibit #4 with the exception of SU K and the additional SU L, are reasonable and should be adopted; that each such unit can be efficiently and economically drained by one well, and that the creation of such units should reasonably insure to each separate tract therein its just and equitable share of the reservoir content.

3. That evidence at the hearing indicated SU K of applicant's Exhibit #4 should be enlarged to take in acreage productive of Armstrong Sand. SU L should be added in order to accommodate any future drilling which may be contemplated in that area.

4. That the separately owned tracts, mineral leases and other property interests within the units created herein should be force pooled and integrated in accordance with Section 10 of Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in production on a surface acreage basis of participation.

5. That unit wells for the units herein created should be designated as follows:

ARMSTRONG SU F - Pruet & Hughes - State Lease 5544 #2 Well
ARMSTRONG SU G - Pruet & Hughes - Learned Peabody Well #1.

6. That Pruet & Hughes Company should be designated as operator of all of the units created herein, except SU L.

7. That any wells hereafter drilled to the Armstrong Sand, either upon or adjacent to the units established herein, should be located in accordance with State-wide Order No. 29-E, except that the locations of the unit wells already drilled, and referred to in Finding No. 5 above, should be approved.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. The units, as more particularly shown on the plat labeled "State Exhibit A for Docket No. 72-39," attached hereto and made a part hereof, be and the same are hereby approved and adopted as drilling and production units for the production of oil from the Armstrong Sand in the Giles Bend Field, Concordia Parish, Louisiana.

These units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above Exhibit and made a part of this Order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims and shall not affect any other acreage in separately owned tracts in the unit.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is located. Also, all operations on and production from each such unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

3. Unit wells are hereby designated in accordance with Finding No. 5 above.

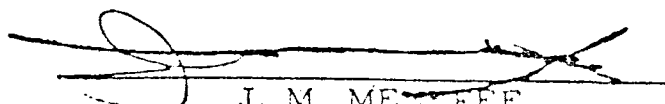
4. Pruet & Hughes Company is hereby designated as unit operator of all of the units created herein, except SU L.

5. Any wells drilled to the Armstrong Sand, either upon or adjacent to the units established herein, shall be located in accordance with Statewide Order No. 29-E; provided, however, that the locations of each of the unit wells designated in Finding No. 5 of this Order are hereby approved.

6. Except as they may be conflict herewith, the provisions of all applicable Statewide Orders shall govern the exploration for and production of oil from the Armstrong Sand in the Giles Bend Field, Concordia Parish, Louisiana, as well as the method of allocating allowable production.

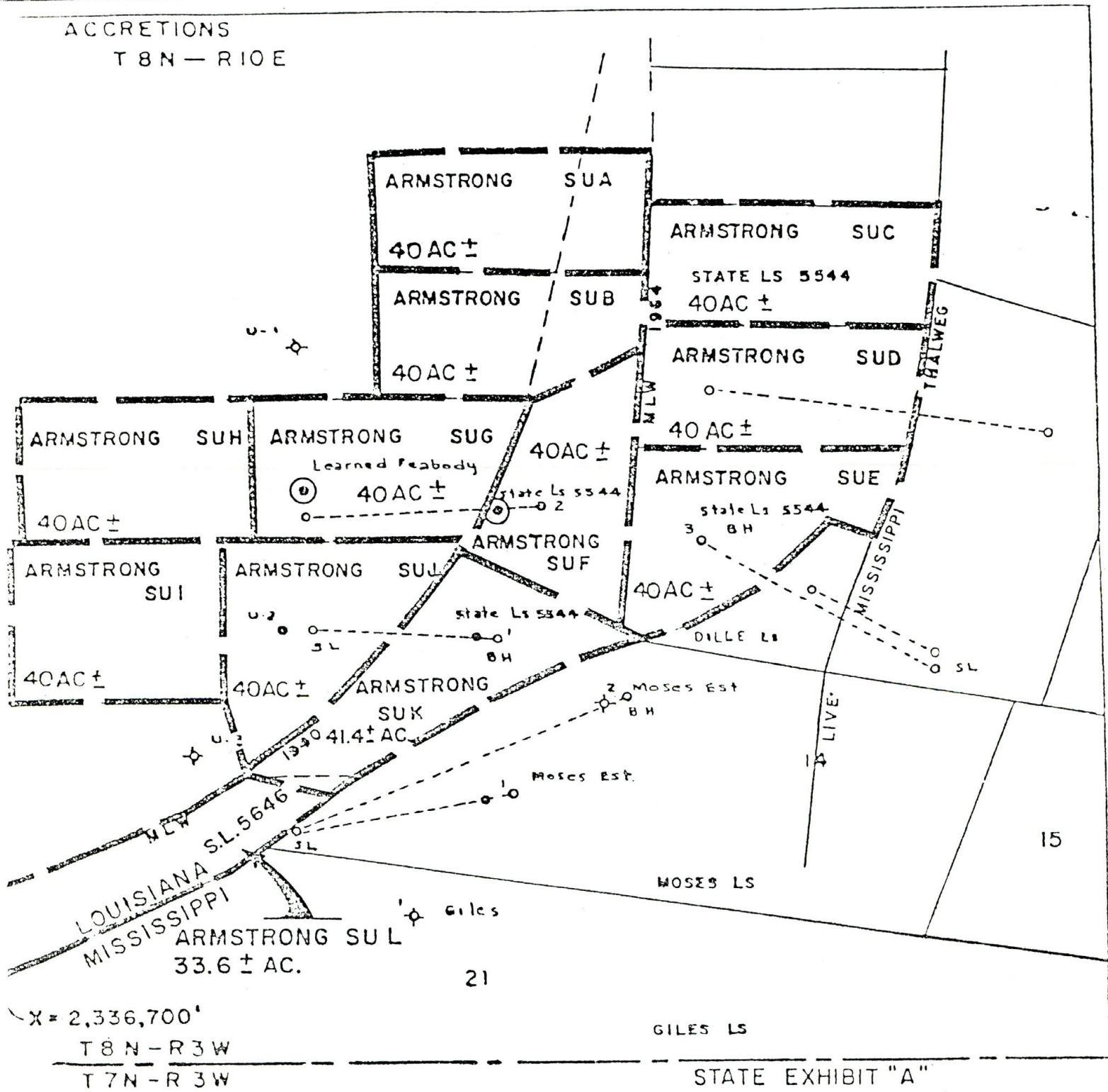
This Order shall be effective on and after February 1, 1972.

DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA


J. M. MENZIES
COMMISSIONER OF CONSERVATION

(FJB/tr-2/21/72)

State Ex. "A" - Att.



NOTE: WELL NAMES AND MEAN LOW WATER DESIGNATIONS AS SHOWN ON THIS PLAT DO NOT INDICATE LAND OR LEASE BOUNDARIES OR OWNERSHIP.

STATE EXHIBIT "A"
GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
ARMSTRONG SAND UNITS

HEARING DOCKET NO. 72-39
ORDER NO. 887

SCALE — FEET

1000 0 1000 2000 3000
DEPARTMENT OF CONSERVATION, LOUISIANA GEOLOGICAL SURVEY

FEB. 9, 1972

Dept. of Conservation Hearing Jan. 27, 1972

Base map after Pruet & Hughes Co. Ex. 4

STATE OF LOUISIANA
DEPARTMENT OF CONSERVATION
BATON ROUGE, LOUISIANA

____ April 23 ____ , 1975

ORDER NO. 887-B

Order concerning rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the GILES BEND FIELD, Concordia Parish, Louisiana.

* * * * *

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of Louisiana Revised Statutes of 1950, and after a public hearing held in Shreveport, Louisiana, on April 10, 1975, under Docket No. 75-87, upon the application of Pruet & Hughes Company, following legal publication of notice and notice in accordance with rules prescribed by the Commissioner of Conservation, the following order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells and otherwise to carry out the provisions of the laws of this State.

D E F I N I T I O N

The Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the depths of 5,622 feet and 5,662 feet (electrical log measurements) in the Pruet & Hughes (originally Dave Gammill) No. 1 Learned-Peabody Well, located 12,345 feet South and 1,700 feet East of the common corner of Sections 15, 16 and 53, Township 8 North, Range 10 East, on alluvion to said Township 8 North, Range 10 East, Concordia Parish, Louisiana.

F I N D I N G S

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of three drilling and production units for the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana, are necessary to insure orderly development, to prevent waste, and to avoid the drilling of unnecessary wells.
2. That the available geological and engineering data indicate that the units, all as more particularly shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," are reasonable and should be adopted; that each unit can be efficiently and economically drained by one well located thereon and that creation of such units should reasonably assure to each separate tract its just and equitable share of the contents of the reservoir.
3. That the separately owned tracts, mineral leases and other property interests within the unit created herein should be force pooled and integrated with each separate tract sharing in unit production on a surface acreage basis of participation.

4. That any wells drilled to the Parker B Sand, Reservoir A, outside of the units herein established should be located in accordance with Statewide Order No. 29-E.
5. That the wells as shown on the unit plat should be designated as the unit wells for the respective units in which they are located.
6. That Pruet & Hughes Company should be designated as operator of the units created herein.

O R D E R

NOW, THEREFORE, IT IS ORDERED THAT:

1. The drilling and production units shown on the plat labeled "Pruet & Hughes Company Exhibit No. 4 for Docket No. 75-87," attached hereto and made a part hereof, be and they are hereby approved and adopted as drilling and production units for the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

The units have not been surveyed, and when a survey plat of said units showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the units, said plat shall be substituted for the above exhibit and made a part of this order by reference. In the event of conflicting claims of ownership of acreage in any unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims, and shall not affect any other acreage in separately owned tracts in the units.

The survey plat for each unit shall be prepared in accordance with the requirements for unit plats and survey plats adopted by the Commissioner of Conservation. It is recognized that the exterior boundary lines of the units, as surveyed, may differ from those lines as shown on the attached plat because of the requirement that by survey the geologically significant wells be correctly located with respect to each other and to the unit boundary lines that they control.

2. The separately owned tracts, mineral leases and other property interests within the units established herein are hereby pooled, consolidated and integrated in accordance with Section 10, Title 30 of Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of the unit in which it is situated. Also, all operations on and production from each unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.
3. The unit wells are designated in accordance with Finding No. 5 hereof.
4. The operator of the units hereby established is designated in accordance with Finding No. 6 hereof.
5. Any wells drilled to the Parker B Sand, Reservoir A, outside of the units hereby established shall be located in accordance with Finding No. 4 hereof.

6. Except as they may be in conflict herewith, the provisions of the applicable Statewide Orders shall govern the exploration for and production of oil and gas from the Parker B Sand, Reservoir A, in the Giles Bend Field, Concordia Parish, Louisiana.

7. When there is obtained additional geological and engineering information indicating a required change or revision in the unit boundaries as adopted herein, or which would indicate a required change or revision of other provisions of this order, then the party or parties in possession of this additional information shall petition the Commissioner of Conservation for a public hearing for the purpose of considering appropriate changes.

This Order shall be effective on and after
April 10, 1975.

DEPARTMENT OF CONSERVATION
OF THE STATE OF LOUISIANA



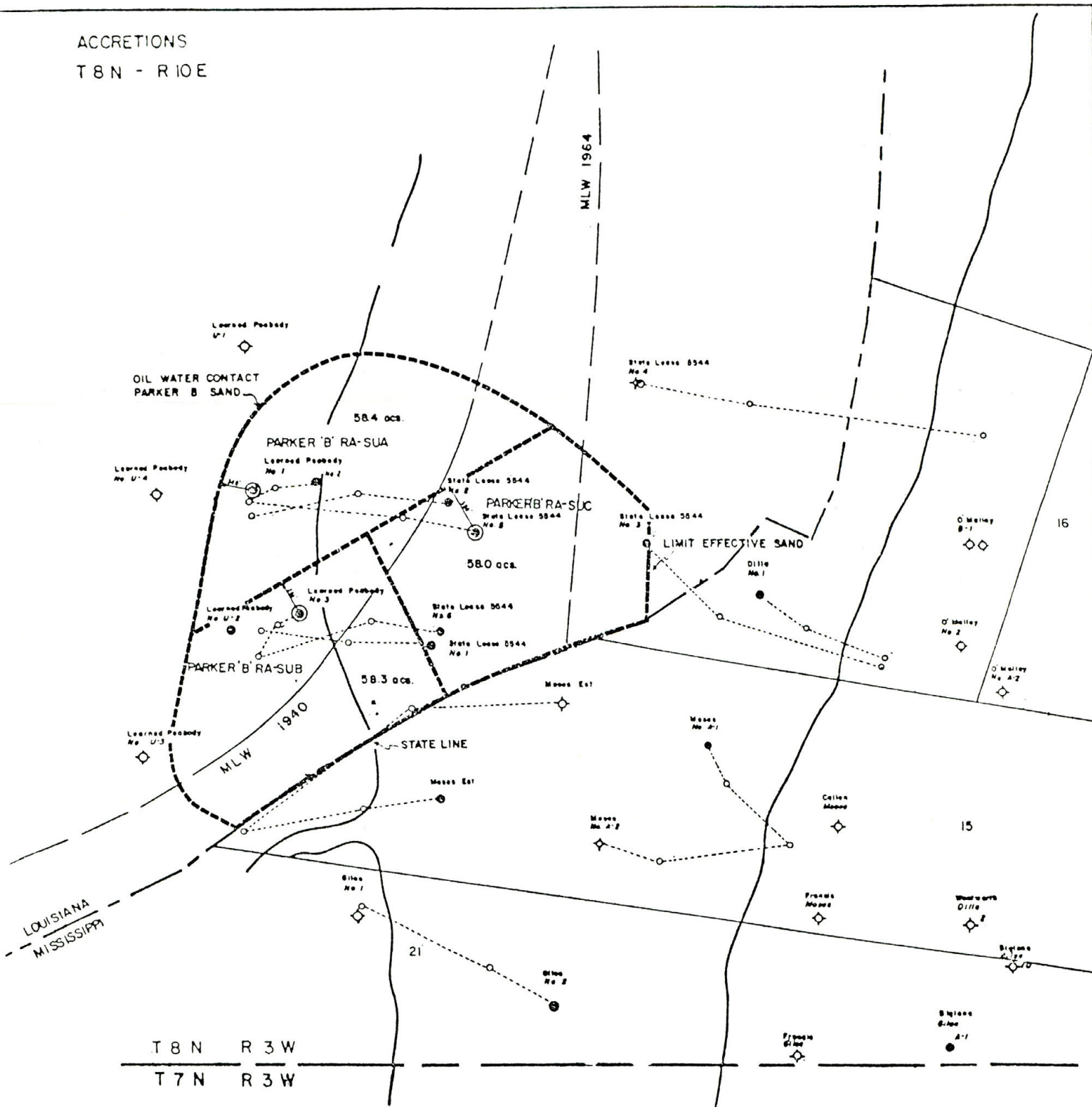
R. T. SUTTON
COMMISSIONER OF CONSERVATION

FJB

R&R - Oil

Pruet & Hughes
Company Exhibit No. 4
for Docket No. 75-87
attached.

ACCRETIONS
T 8 N - R 10 E



NOTE: WELL NAMES AND MEAN LOW WATER DESIGNATIONS AS SHOWN ON THIS PLAT DO NOT INDICATE LAND OR LEASE BOUNDARIES OR OWNERSHIP

LEGEND:
DEVIATED HOLES

PROPOSED UNIT WELL

ORDER NO. 887-B

PRUET & HUGHES COMPANY

GILES BEND FIELD
CONCORDIA PARISH, LOUISIANA
ADAMS COUNTY, MISSISSIPPI

PROPOSED PARKER 'B' SAND UNITS

0 500 1000 1500

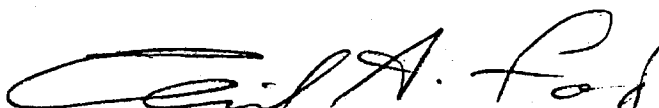
EXHIBIT NO 4 DATE: 4 - 10 - 75

DOCKET NO. 75-87

CERTIFICATE

Cecil A. Ford, attorney for certain of the defendants as hereinabove set forth and for and on behalf of all of said defendants, does hereby certify that he has served a true and correct copy of the foregoing Petition for Removal of said cause along with a true and correct copy of the Bond herein filed with respect to said petition by mailing the same via United States Mail, postage prepaid, to Honorable M. Emmett Ward of Ward, Martin, Terry and Way, P. O. Box 789, Vicksburg, Mississippi 39180, attorney of record for plaintiff.

Dated this 20th day of July, 1979.


CECIL A. FORD

