

**BBX Operating, L. L. C.  
Oil & Gas Division Order**

From: BBX Operating, L. L. C.  
3698 RR 620 South, Suite 113  
Austin, Texas 78738

Property: **BBX UNIT, WELL NO. 1H**  
Effective Date: Date of First Production

The undersigned severally and not jointly certifies that it is the legal owner of the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below:

**OWNER NAME AND ADDRESS / OWNER ID**                      **INTEREST TYPE / OWNER DIVISION OF INTEREST**

Example Owner  
Austin, TX 78738

**OPERATOR:**                      **BBX Operating, L. L. C.**                      **RI**                      **0.000000001**

**PROPERTY NAME:**                      **BBX UNIT, WELL NO. 1H**  
**COUNTY/STATE:**                      **POLK COUNTY, TEXAS**

**DESCRIPTION:**                      **1236.54 acres, more or less, being part of the BBX Survey, et al, Polk County, Texas.**

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("Owner") who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest set out above. The Payer shall pay all parties at the price agreed to by the operator for oil, gas and related liquid hydrocarbons to be sold pursuant to this division order.

**PAYMENT:** From the effective date, payment is to be made monthly by Payer's check, based on this division of interest for oil, and/or gas run from the property listed above, less taxes required by law to be deducted and remitted by Payer as purchaser, and valued in accordance with the terms of the lease to which such production is allocated. Payments of less than \$100.00 may be accrued before disbursement until the total amount equals \$100.00 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to Payer any amounts attributable to an interest or part of an interest that Payee does not own.

**INDEMNITY:** The owner agrees to indemnify and hold Payer harmless from all liability resulting from payments made to the owner in accordance with such division of interest including, but not limited to, attorney fees or judgments in connection with any suit that affects the Owner's interest to which Payer is made a party.

**DISPUTE; WITHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payer by Owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, Payer is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

**TERMINATION:** Termination of this agreement is effective on the first day of the month that begins after the 30<sup>th</sup> day after the date written notice of termination is received by either party.

**NOTICES:** The Owner agrees to notify Payer in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on Payer until a recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payer at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payer. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, Payer and Owner may have certain statutory rights under the laws of the State of Texas.

**WITNESS:**  
Witness 1  
**(Witness' Signature)**  
Witness 2  
**(Witness' Signature)**

**SIGNATURE OF OWNER:**  
Owner 1  
**Owner:**  
Owner 2  
**Owner:**

**Owner's Social Security / Tax I.D. Number:**                      000-00-0000

**Failure to furnish your Social Security / Tax ID number will result in the withholding tax permitted in accordance with federal law, and any tax withheld will not be refundable by Payer.**