

Attached as Exhibit A is a copy of Agreement No. 106, dated July 1, 1961, between General American Oil Company of Texas and John M. Jones.

1. In all operations conducted by you on the lands described in the attached agreement, you shall be acting independently of us and not as our agent, employee or partner, or as a member of a joint venture with us. Except as may be specifically provided to the contrary in the attached agreement, all of your operations shall be without cost or expense to us, and we shall have no responsibility or liability in connection therewith. You agree to indemnify us against and hold us harmless from any and all claims, demands, liabilities and liens of every character arising in connection with such operations.
2. You agree to notify General American Oil Company of Texas prior to the time that any well located on the lands described in the attached agreement is shut-in, and the reason therefor. Notification shall be made by telegram, and promptly confirmed by letter.
3. Our representatives shall at all times have access to the derrick floor of any well drilled by you under the attached agreement, and to all information concerning such drilling operations. You agree to furnish the following information and samples and make the following reports to the offices or authorized persons indicated below and to allow the interested parties to perform the following acts with respect to each such well:
  - (a) Advice of location and intention to begin operations at least three (3) days before beginning.
  - (b) Daily drilling reports.
  - (c) All other information in connection with drilling of the well, including surveys of the well, however made, and information concerning velocity and dip-meter surveys.
  - (d) Samples of all cores and cuttings when recovered and at least twice a week, unless otherwise requested, to go to the offices below or to representatives at the well.
  - (e) To employ drillstem or other acceptable methods all formations where indications of oil or gas are encountered, giving notice in time for a representative to be present to witness the test, and where any shows are encountered, immediately give notice so representatives can be present.
  - (f) If shows of oil or gas are encountered and not tested, upon request of any of those listed, test such formations before final abandonment.
  - (g) Prior to the completion or abandonment of a well, allow us, at our own risk and expense and for our own use, to lower geophones into the well for the purpose of taking seismic velocity tests and to conduct a dip-logging survey.
  - (h) Sack, melt and save samples of cuttings of all formations penetrated at intervals of not over 10 feet.
  - (i) Make any other reports upon forms furnished and in the manner requested by any authorized person.
4. In making any lease notification shall be made in time to have a sample of the oil obtained, and a larger core sample of adequate size.
5. You shall keep all active, or unleased representatives at least one month from the date of drilling the well, restricted to any person not financially