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ATTORNEYS FOR GBH PROPERTIES LLC

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re:	§	Case No. 20-42002-clm11
	§	
Vista Proppants and Logistics, LLC, et al. ¹	§	Chapter 11
	§	
Debtors.	§	Jointly Administered

**OBJECTION OF GBH PROPERTIES LLC, GHMR II, LLC AND GHMR
OPERATIONS, LLC TO THE DEBTORS' NOTICE OF CURE PROCEDURES**

GBH Properties LLC ("GBH"), GHMR II, LLC ("GHMR II") and GHMR Operations, LLC ("GHMR Operations"), by and through their undersigned counsel, hereby files this *Objection to Debtors' Notice of Cure Procedures* (the "Cure Procedures"), and in support thereof, respectfully states as follows:

BACKGROUND

1. On June 9, 2020, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").
2. On August 19, 2020, the Debtors filed the Notice of Cure Procedures [Dkt. No. 407] ("Cure Notice") which includes in Schedule 1 attached thereto a list of executory contracts

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Vista Proppants and Logistics, LLC (7817) ("Vista OpCo"); VPROP Operating, LLC (0269) ("VPROP"); Lonestar Prospects Management, L.L.C. (8451) ("Lonestar Management"); MAALT Specialized Bulk, LLC (2001) ("Bulk"); Denetz Logistics, LLC (8177) ("Denetz"); Lonestar Prospects, Ltd. (4483) ("Lonestar Ltd."); and MAALT, LP (5198) ("MAALT"). The location of the Debtors' service address is 4413 Carey Street, Fort Worth, TX 76119-4219.



which may be assumed by the Debtors with a proposed amount for cure if such contract is assumed.

3. Schedule 1 attached to the Cure Notice includes a list of thirty-one executory contracts GBH, GHMR II or GHMR Operations as the counterparty, being Nos. 61 through 91 on Schedule 1 (the “Contracts”). Each of the Contracts are identified as lease agreements between various Debtor entities and GBH, GHMR II or GHMR Operations.

4. The name and address of the counterparties are as follows:

GBH Properties, LLC
3821 Collinwood
Fort Worth, TX 76107

GHMR II, LLC
1311 Ranchers Legacy Trail
Fort Worth, TX 751256

GHMR Operations, LLC
1311 Ranchers Legacy Trail
Fort Worth, TX 76126

5. The thirty-one Contracts appear to be the same contracts listed in Exhibit 1 attached to the *Eighth Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases Pursuant to Section 365 of the Bankruptcy Code and Bankruptcy Rule 6006 as of the Petition Date* [Dkt. No. 19] (“Rejection Motion”). As previously asserted in response to the Rejection Motion, the descriptions of the Contracts contained Schedule 1 to the Cure Notice and in Exhibit 1 to the Rejection Motion are in some instances not complete, include duplicate contracts, and in some instances contain errors in the identification of the parties and the Contracts.

OBJECTION

6. On September 1, 2020, the Court entered an *Agreed Order (I) Granting Debtors' Eighth Omnibus Motion to Reject Certain Executory Contracts and Unexpired Leases Pursuant to Bankruptcy Code § 365 and Bankruptcy Rule 6006 as of the Petition Date and (II) Continuing Hearing with Respect to Certain Executory Contracts and Unexpired Leases* [Dkt. No. 459] ("Rejection Order"), a copy of which is attached hereto as Exhibit A.

7. The Rejection Order correctly and accurately identifies the executory contracts which are subject to the Rejection Motion in Exhibits 1 and 2 attached thereto. As set forth in the Rejection Order, the Contracts listed on Exhibit 1 are now rejected and not subject to assumption and should not be included in the Cure Notice.

8. The only remaining Contracts to which GBH, GHMR II or GHMR Operations are counterparties and which remain subject to assumption are identified in Exhibit 2 to the Rejection Order. With respect to the last two Contracts identified in Exhibit 2, the Debtor and GBH Properties and GHMR Operations have agreed to a modification of such Contracts as announced to the Court and should not be included in the Cure Notice; however, the Contracts have not yet been modified and are therefore included in this objection being identified as follows:

- (i) Lease Agreement dated April 1, 2019, between GHMR II, as Lessor, and Maalt, LP, as Lessee, covering residential property in Monahans, Texas ("Monahans Lease").

9. The remaining Contracts to which GBH, GHMR II and GHMR Operations are counterparties and remain subject to assumption are the first three Contracts listed on Exhibit 2 to the Rejection Order as follows:

- (i) Lease Agreement dated December 1, 2014, between GHMR, as Lessor, and Lonestar Prospects, Ltd., as Lessee, covering approximately 869 acres

in Hood County, Texas (the “Tolar Lease”), a copy of which is attached hereto as Exhibit B; and

- (ii) First Amendment to Loan Agreement dated March 1, 2017, between GHMR, as Lessor, and Lonestar Prospects, Ltd., as Lessee, which amends the Tolar Lease (“Tolar Amendment”), a copy of which is attached hereto as Exhibit C; and
- (iii) Lease Agreement dated May 1, 2016, between GHMR, as Landlord, and Maalt, LP, as Tenant, covering a transloading and storage facility in Dilly, Texas (the “Dilley Lease”), a copy of which is attached hereto as Exhibit D.

The Tolar Lease and Tolar Amendment are collectively referred to as the “Tolar Lease.”

10. GHMR Operations objects to the cure amounts for the Tolar Lease and Dilley Lease as listed in Schedule 1 attached to the Cure Notice which GHMR Operations believes is Nos. 72, 90 and 91 in Schedule 1. GHMR II further objects to the cure amounts for the Monahans Lease listed in Schedule 1 to the Cure Notice which GHMR II believes is No. 68.

11. Attached here to as Exhibit E is a summary of the outstanding and unpaid amounts under the Tolar Lease as of September 1, 2020, which total \$2,474,465.09 and constitute a required cure payment if an assumption were effective on September 1. This amount will increase after September 1, 2020, to the effective date of any assumption. These amounts are for royalties and property taxes due under the Tolar Lease.

12. Attached here to as Exhibit F is a summary of the outstanding and unpaid amounts due under the Dilley Lease as of September 1, 2020, which total \$1,131,552.00 and constitute a required cure payment if an assumption were effective on September 1. This amount will increase after September 1 to the effective date of any assumption. These amounts are for rents and property taxes due under the Dilley Lease.

13. Attached here to as Exhibit G is a summary of the outstanding and unpaid amounts due under the Monahans Lease as of September 1, 2020, which total \$1,048,278.23 and

constitute a required cure payment if an assumption were effective on September 1. This amount will increase after September 1 to the effective date of any assumption. These amounts are for rents and taxes due under the Monahans Lease.

14. GBH, GHMR II and GHMR Operations reserve their rights to amend and/or supplement this Objection and to raise any additional objections to the Cure Notice. In addition, this Objection is without prejudice to GBH, GHMR II and GHMR Operations' ability to raise further objections at any hearing on the proposed assumption.

WHEREFORE, GBH, GHMR II and GHMR Operations respectfully requests that the Court sustain their objections as set forth herein to the Cure Notice and for such other and further relief to which they may be entitled.

DATED: September 10, 2020.

Respectfully submitted,

By: /s/ Kenneth Stohner, Jr.

Kenneth Stohner
State Bar No. 19263700
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**ATTORNEYS FOR GBH PROPERTIES
LLC, GHMR OPERATIONS, LLC and
GHMR II, LLC**

CERTIFICATE OF SERVICE

This is to certify that on this 10th day of September, 2020, a true and correct copy of the foregoing was served electronically or by United States First Class Mail, postage prepaid upon those parties receiving notice pursuant to the Court's ECF notification system and upon the following persons specifically identified in the Cure Procedures:

Counsel for the Debtors

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Erin Schmidt
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1100 Commerce Street, #976
Dallas, TX 75242

/s/ Kenneth Stohner, Jr.

Kenneth Stohner, Jr.



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed September 1, 2020

United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§	Chapter 11
	§	
Vista Proppants and Logistics, LLC, et al., ¹	§	Case No. 20-42002-ELM-11
	§	
Debtors.	§	Jointly Administered

**AGREED ORDER (I) GRANTING DEBTORS' EIGHTH OMNIBUS MOTION TO
REJECT CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES PURSUANT TO BANKRUPTCY CODE § 365 AND
BANKRUPTCY RULE 6006 AS OF THE PETITION DATE AND (II) CONTINUING
HEARING WITH RESPECT TO CERTAIN EXECUTORY CONTRACTS AND
UNEXPIRED LEASES**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Vista Proppants and Logistics, LLC (7817) ("Vista HoldCo"); VPROP Operating, LLC (0269) ("VPROP"); Lonestar Prospects Management, L.L.C. (8451) ("Lonestar Management"); MAALT Specialized Bulk, LLC (2001) ("Bulk"); Denetz Logistics, LLC (8177) ("Denetz"); Lonestar Prospects, Ltd. (4483) ("Lonestar Ltd."); and MAALT, LP (5198) ("MAALT"). The location of the Debtors' service address is 4413 Carey Street, Fort Worth, TX 76119-4219.

On this date the Court considered the *Debtors' Eighth Omnibus Motion to Reject Certain Executory Contracts and Unexpired Leases Pursuant to Section 365 of the Bankruptcy Code and Bankruptcy Rule 6006 as of the Petition Date* (the "Motion"),² of Vista Proppants and Logistics, LLC, *et al.* (collectively, the "Debtors"). The Court finds that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; (iv) proper and adequate notice of the Motion has been given and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein.

Therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent provided herein.
2. Pursuant to Bankruptcy Code Section 365 and Bankruptcy Rule 6006, the Contracts between GHMR Operations, LLC ("GHMR") or GHMR II, LLC ("GHMR II") and certain Debtors listed on Exhibit 1 (collectively, the "Rejected Contracts") attached hereto are hereby rejected effective as of the Petition Date without further order of the Court and without the need for further action by the Debtors or any other party.
3. The Debtors shall cooperate in good faith with GHMR and GHMR II to identify and remove, on or before September 4, 2020, any property of the Debtors remaining on the premises (the "Premises") covered by the Rejected Contracts as of the entry of this Order. Any property of the Debtors remaining on the Premises as of 12:00 a.m. on September 5, 2020, shall

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to the such terms in the Motion.

be deemed abandoned by Debtors, unless otherwise agreed by the Debtors, GHMR, and GHMR II. Notwithstanding the foregoing, to the extent that the property abandoned by the Debtors is collateral to any secured creditors, such valid liens shall remain enforceable and all rights are reserved pending further order of the Court.

4. Nothing in this Order shall modify or prejudice the rights of GHMR or GHMR II with respect to any claim, including administrative expense claims, for damages arising from the rejection of the Rejected Contracts and Debtors' obligations under the Rejected Contracts, subject to any and all defenses, counterclaims and other objections of the Debtors.

5. Any claims by GHMR or GHMR II based on the rejection of the Contracts included on **Exhibit 1** shall be filed on or before the date thirty (30) days after the entry of this Order.

6. The hearing on the Motion with respect to the Contracts included on **Exhibit 2** attached hereto shall be continued to **September 14, 2020 at 1:30 p.m.** GHMR, GHMR II, and GBH Properties LLC, and Debtors reserve all rights, claims, objections, and defenses with regard to the Contracts included on **Exhibit 2**.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

END OF ORDER

AGREED AS TO FORM AND SUBSTANCE:

/s/ Stephen M. Pezanosky

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**ATTORNEYS FOR GHMR OPERATIONS, LLC,
GHMR II, LLC, AND GBH PROPERTIES LLC**

Exhibit 1

List of Executory Contracts and Unexpired Leases

#	Counterparty Name	Counterparty Address	Debtor Counterparty	Contract Description	Contract Effective Date
1	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt, LP	Lease Agreement Truck & Terminal Station 869 County Rd., 108 Sweetwater, Texas	5/1/2016
2	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt, LP	Lease Agreement Railroad Transloading Facility Pecos, Reeves County, Texas	7/1/2017
3	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Lease Agreement Truck & Terminal Station 1405 S. 36H Street Monahans, Texas	10/1/2018
4	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Lease Agreement Land& Building BLK, N, Lot 12 Monahans, Texas	5/1/2018
5	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Lease Agreement Land& Building 48359 S. CR 182 Gage, Oklahoma	5/1/2016
6	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	Lease Agreement Transload Facility 1701 Colony Ct. Tolar, Texas	1/1/2018
7	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	Equipment Lese Grandbury/Tolar	12/31/2015
8	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Lease Agreement Land& Building 1415 S. BI 35D Dilley, Texas	5/1/2016
9	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Lease Agreement Duplexes 1415 S. BI 35D Dilley, Texas	12/1/2018

#	Counterparty Name	Counterparty Address	Debtor Counterparty	Contract Description	Contract Effective Date
10	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	Lease Agreement Leland Cabin 1405 W. 36 th Monahans, Texas	6/1/2019
11	GHMR II, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	Lease Agreement Duplex Modular Bldg. 1405 W. 36 th Monahans, Texas	6/1/2019
12	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Commercial Trailer Lease 42 Trailers Dilley & Elmendorf	10/27/2015
13	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Commercial Trailer Lease 42 Trailers Dilley & Elmendorf	5/1/2016
14	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Commercial Trailer Lease 8 Trailers Dilley & Elmendorf	3/1/2018
15	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	Lease Agreement Truck & Terminal Station 1017 N. Doris Monahans	12/1/2017
16	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt, LP	Commercial Trailer Lease 8 Trailers Dilley & Elmendorf	11/1/2015
17	GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt, LP	Commercial Trailer Lease 8 Trailers Dilley & Elmendorf	5/1/2016

Exhibit 2

Contracts Subject to Continued Hearing on September 14, 2020

Counterparty Name	Counterparty Address	Debtor Counterparty	Contract Description	Contract Effective Date
GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	Lease Agreement – Tolar Appx. 869 acres Hood County, Texas	12/1/2014
GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Lonestar Prospects, Ltd.	First Amendment to Lease Agreement - Tolar	3/1/2017
GHMR Operations, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt, LP	Lease Agreement [Transloading & Storage Facility] Dilley, Texas	5/1/2016
GBH Properties LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt Specialized Bulk, LLC	Commercial Lease Agreement Fort Worth Corporate Office	5/1/2016
GHMR II, LLC	4413 Carey St Fort Worth, TX 76119-4219	Maalt, LP	Lease Agreement – Apartments 1405 S. Gail Monahans, Texas	4/1/2019

EXHIBIT B

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated this 1st day of December 2014, is made and entered into by and between the following parties:

GHMR Operations, LLC, a Texas Limited Liability Company having a mailing address of 4413 Carey Street, Fort Worth, Texas 76119 (herein called the "Lessor"), and

Lonestar Prospects, Ltd., a Texas limited partnership having a mailing address of 3549 Monroe Highway, Granbury, Texas 76048 (herein called the "Lessee").

W I T N E S S E T H:

THE LEASE

For and in consideration of the mutual promises and covenants set forth herein, the sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. THE LEASE

Lessor hereby leases, demises and grants to Lessee and Lessee hereby leases and takes from Lessor, for the sole and exclusive purpose of prospecting for, exploring for, producing, developing, mining, extracting, removing, storing, transporting, transloading, and marketing the Materials (herein defined), the surface and subsurface estate of the approximately 898 acres as more particularly described in Exhibits "A-1," "A-2," and "A-3" (collectively "Exhibit A") hereto and made a part hereof (the "Leased Premises") including thereon all minerals (except oil and gas and other hydrocarbon products) and all construction materials including but not limited to silica sand and/or overburden, (hereinafter collectively called "Materials") in, on and under said real property, all as more particularly described in Exhibit "A", attached hereto.

In conjunction with the lease of the Leased Premises granted herein, Lessor hereby grants to Lessee the exclusive right to prospect for, explore for, produce, sample, drill and test for, develop, mine, quarry, extract, process, sell, remove and market Materials during the term of this Lease Agreement, and the non-exclusive right to the use of any surface and subsurface water on the Leased Premises.

Notwithstanding the foregoing, there is hereby excepted and reserved to Lessor, Lessor's successors and assigns, and Lessor's predecessors in title all oil, gas and other minerals except the Materials, and there is further excepted and reserved to Lessor and Lessor's predecessors in title (to the extent they have any rights to use the surface) the full use of the Leased Premises and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of the Leased Premises by Lessor (and Lessor's predecessors in title to the extent they have any rights to use the surface) and its oil, gas and mineral lessees, for purposes of exploring for and producing oil and gas and the minerals which are not covered by the terms of this Lease Agreement and for its surface lessees, for all purposes (including, without limitation, any and all agricultural purposes) not inconsistent with the rights granted to Lessee in this Lease Agreement (such permitted purposes shall include, but not limited to, any grazing leases or hunting leases by

and between Lessor and third parties, and the right to sell and use water from wells on the Leased Premises). Lessor acknowledges and affirms that any hunting activity shall be limited to portions of the property being used for agricultural purposes. All of the rights in and to the Leased Premises retained by Lessor and all of the rights in and to the Leased Premises granted to Lessee shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. LEASE TERM

Subject to termination as hereinafter provided, the primary term of this Lease Agreement shall be for five (5) years, commencing on the first day after this Lease Agreement is signed by all parties and expiring at 11:59 p.m. on the day and date five (5) years after the commencement date (the "Primary Term"), and provided that this Lease Agreement has not terminated prior to the expiration of the Primary Term and subject to termination as hereinafter provided, the term of this Lease Agreement shall continue following the expiration of the Primary Term for so long thereafter as Materials are sold and removed from the Leased Premises by Lessee and the Minimum Royalty (hereafter defined) is paid each year by Lessee to Lessor.

3. ROYALTIES

A. **Production Royalty.** As a production royalty (hereinafter sometimes called "Royalty"), Lessee shall to pay to Lessor in the manner prescribed in Section 3.F of this Lease Agreement a sum equal to Four and No/100 Dollars (\$4.00) per ton of Materials both produced from the Leased Premises and sold or otherwise removed from the Leased Premises. (For the treatment of Waste Material (hereafter defined), see Section 7(g).) For the avoidance of confusion, the Lessor and Lessee acknowledge and agree that any Materials, including but limited to sand, purchased by Lessee from a third party supplier and subsequently delivered to, processed at, and/or sold from the Premises shall not be included in the definition of Materials for purposes of calculating the Royalty. The Royalty shall be paid monthly.

B. **Minimum Royalty.** In no event shall the Royalty due under this Lease Agreement for any calendar year beginning with calendar year 2014 be less than an amount equal to the sum of (i) the amount of all principal and interest paid by Lessor on all financing incurred by Lessor to purchase the Leased Premises, (ii) the amount of the ad valorem taxes paid by Lessor, and (iii) an amount equal to twenty percent (20%) of the amounts of (i) and (ii) of this Section 3.B (the "Minimum Royalty"). Notwithstanding anything in this Lease Agreement to the contrary, Lessor and Lessee acknowledge and agree that during the Primary Term of this Lease Agreement (not including any extension of the Primary Term), so long as the Minimum Royalty is paid to Lessor as provided herein, Lessee shall have no obligation to produce, explore, market, and/or develop the Materials or otherwise develop the Leased Premises during the Primary Term, and this Lease Agreement shall remain in full force and effect. The Minimum Royalty shall be paid on a monthly basis by Lessee as invoiced by Lessor with respect to items (i) and (iii) herein, and annually with respect to item (ii) and (iii) herein. The initial monthly payment of the Minimum Royalty with respect to items (i), (ii), and (iii) (principal, interest and taxes plus 20% thereon) will be \$38,604.06.

If the Royalties on Materials produced from, removed and sold from the Leased Premises on a monthly basis during any calendar year beginning with the calendar year 2014 do not equal or exceed the Minimum Royalty on a monthly basis, then Lessee shall pay to Lessor the difference between the total aggregate amount of Royalty for such calendar year and the Minimum Royalty (such difference being referred to herein as the "Shortfall") on a monthly basis as invoiced by Lessor (the "Shortfall Payment").

C. **Payments and Reports.** All Royalties are to be received by Lessor, at Lessor's office in Fort Worth, Texas, or at such other place as Lessor may specify in a written notice given by Lessor to Lessee, on or before the 45th day following the last day of each calendar month for the Materials produced during the immediately preceding calendar month. For the purposes of the prior sentence only, "produced" shall be defined to mean the date on which the Materials on which Royalty is owed were physically removed and transported from the Leased Premises. The Royalty payment shall be accompanied by a report of Lessee completed in the following form and manner: The report shall be based on the type and exact amount of Materials removed and transported from the Leased Premises, the type and exact amount of Material sold during the preceding calendar month, the gross amount received, and if the sale was not a bona fide sale at arms length to a non-affiliate, the value of the sale as calculated above. The report should also name the person or entity to whom a sale was made. If any Materials produced from the Leased Premises have been used by Lessee during the preceding calendar month, then the report must also indicate the type and exact amount of each Material so used and the method and figures used by Lessee to calculate the value of each Material so used. Even if Royalty payments are not due, a report of Lessee, completed in the same form and manner as described in this paragraph, shall be filed with Lessor on or before the 45th day following the last day of each calendar month in which any Material is used by Lessee or removed and transported from the Leased Premises. Each such report submitted by Lessee to Lessor shall be certified by the general partner of Lessee as being true and correct.

D. **Records.** Lessee shall maintain appropriate books and records with respect to the production, transportation, assaying, analyzing, processing, recovery, use, sale, and marketing of the Materials and all of Lessee's operations on the Leased Premises. All such books and records shall be retained and preserved for at least four (4) years after the end of the calendar year to which they relate. Lessor, at Lessor's own cost and expense (except as otherwise provided herein), shall have the right, during normal office hours, to examine Lessee's pertinent books, and records, reasonably necessary to verify the quantities of Materials produced from the Leased Premises. Copies of such documents shall be furnished to Lessor upon request and at Lessee's expense. In the event Lessor is not satisfied with Lessor's examination of such books and records or with any reports or statements submitted by Lessee, Lessor shall have the right to have its auditors make a special audit of all books and records of Lessee, wherever located, pertaining to the quantities of Materials produced from the Leased Premises. The cost of the audit shall be Lessor's sole responsibility. The results of any audit shall be given to Lessee for its review. Lessee shall have the right to retain, at its sole expense, an auditor to perform a review of the results of Lessor's audit. Should there be material difference of opinion in excess of five percent (5%) between the auditors as to the results of the audit performed by Lessor's auditor, the Lessor's auditor and Lessee's auditor will select a third auditor to review the results of the audit in which case the fees associated with the engagement of the third auditor shall be split evenly between Lessor and Lessee. Lessee shall promptly pay to Lessor any deficiency or Lessor shall

promptly refund to Lessee any overpayment, as the case may be, which is established by such audit. Any alleged errors in any such reports or statements shall be called to the attention of either Lessor or Lessee by notice in writing within ninety (90) days of delivery of each such report or statement to Lessor; otherwise, the same shall be conclusive as to the royalties owed and the amount of Materials produced from the Leased Premises during the period covered by such report or statement.

E. **Penalty and Interest.** Royalty payments which are not made when due and reports which are not delivered when due shall accrue penalty and/or interest as follows: If Lessee fails to pay a Royalty payment when due and such failure continues for more than fifteen (15) days after the Royalty payment was due, then Lessee shall pay to Lessor a penalty in the amount of one percent (1.0%) of the Royalty due or \$100.00, whichever is greater. If Lessee fails to pay a Royalty payment when due and such failure continues for more than thirty (30) days after the Royalty payment was due, then Lessee shall pay to Lessor an additional penalty in the amount of one percent (1.0%) of the Royalty due or \$100.00, whichever is greater. In addition to the penalty or penalties provided for above, Royalties which are not paid when due shall accrue interest at a rate per annum equal to the lesser of twelve percent (12.0%) per annum or the highest lawful rate of interest per annum that Lessor is permitted by applicable law to charge Lessee; such interest will begin to accrue on the day following the date on which such Royalty payment was due and shall continue until the Royalty payment is paid in full. Documents and reports which are required to be delivered by Lessee to Lessor pursuant to Section 3.F, Section 4 or Section 16.G of this Lease Agreement and which are not delivered to Lessor within twenty (20) days after the date due shall incur a penalty of \$100.00 for each such late delivery. Lessee shall bear all responsibility for paying all Royalties and causing such Royalties to be paid in the manner prescribed in this Lease Agreement. Payment of the delinquency penalties set forth above shall in no way operate to waive the occurrence of any Event of Default or act to postpone the date on which any Royalties were originally due or any documents or reports were originally required to be delivered.

4. TAXES

Lessee agrees to pay prior to delinquency all severance taxes, if any, due from the sale and removal of Materials from the Leased Premises and shall pay prior to delinquency any ad valorem taxes assessed against Lessee's property. In addition, Lessee shall pay prior to delinquency all ad valorem taxes assessed against the Leased Premises during the term of this Lease Agreement (to the extent not included in the Minimum Royalty), including, without limitation, any roll-back taxes or other taxes assessed as a result of Lessee's operations on the Leased Premises or as a result of any change in use of the Leased Premises during the term of this Lease Agreement. For the avoidance of confusion, Lessee and Lessor acknowledge and agree that the taxes payable by Lessee pursuant to this Section 4. shall not in any event include taxes, including, but not limited, to ad valorem taxes, assessed against any other holder of a leasehold interest in the Leased Premises, including, but not limited to any lessee of the Leased Premises for purposes of exploring or developing oil, gas, or other minerals that do not constitute Materials. Lessee shall furnish Lessor with copies of paid tax receipts or other proof of payment of all such taxes, such copies or other proof to be delivered to Lessor prior to the date on which the taxes in question become delinquent if not paid.

Lessee shall furnish on an annual basis to Lessor a copy of all reports which Lessee furnishes to the State of Texas in connection with its payment of severance taxes on Materials sold and removed from the Leased Premises. Such copy shall be delivered by Lessee to Lessor by January 31 of each year for the immediately preceding calendar year.

5. OPERATIONS

Lessee shall, in its reasonable discretion, determine at what times and in what manner all of its operations on the Leased Premises shall be conducted and the amount of Materials that are merchantable, i.e., that amount of Materials which can be economically mined and removed from the Leased Premises, as determined by Lessee in Lessee's reasonable discretion.

During the term hereof Lessee shall have the right:

(a) To install, construct, operate, maintain, dismantle and remove all of its plants, enhancement facilities and/or consuming facilities (including machinery, equipment, improvements and other facilities, including without limitation, roads, rail lines, pipelines, power lines, telephone lines, water courses, dams, ponds and stockpile areas on the Leased Premises).

(b) To the free use of water from wells drilled by Lessee and currently existing on the Leased Premises in such quantities as Lessee deems necessary or desirable for the conduct of its operations; Lessor shall have use of all water developed by Lessee and all other water available on the Leased Premises provided such use does not interfere with Lessee's operations. Lessee shall have the right, subject only to servitudes and rights of way existing as of the commencement date of the Primary Term, to drill water wells and lay, use and maintain pipelines and water lines on the Leased Premises. All such water wells, pipelines and water lines and related equipment (including well pumps) shall become the property of Lessor (at no expense to Lessor) at the expiration or earlier termination of the term of this Lease Agreement and shall be surrendered by Lessee to Lessor and shall remain on the Leased Premises following the expiration or earlier termination of this Lease Agreement.

(c) Without any payment to Lessor (unless the same is sold), to strip, remove, and deposit (abandon) overburden, fill sand, flume sand, and other Materials from the Leased Premises onto the Leased Premises, and otherwise to use and occupy the Leased Premises including the destruction of the surface by surface mining methods, all as reasonably required in connection with mining, quarrying, extracting, processing, storage, sale and removal of Materials in, on, under or from the Leased Premises.

(d) To use Materials (mined from the Leased Premises) and/or other materials (mined or removed from other properties in the regional vicinity of the Leased Premises) (hereinafter called "Non-Native Materials") for the purpose of constructing roads, dams, embankments, or similar improvements and/or for backfilling purposes on the Leased Premises without any obligation to make any Royalty or other payments to Lessor; provided that all such Non-Native Materials and other materials shall be free from any Hazardous Materials (hereafter defined).

Lessor hereby agrees to cooperate with Lessee to apply for and obtain zoning and other governmental classifications, permits, approvals, licenses and rights reasonably required in connection with the lawful conduct of Lessee's business and operations on the Leased Premises;

provided, however, that Lessor shall not be obligated to incur any expense in connection therewith.

6. CERTAIN DUTIES AND OBLIGATIONS OF LESSEE

A. Plan of Operations. Should a plan of operation be required by a state or federal agency, Lessee shall furnish a copy of the plan of operation required by such state or federal agency to Lessor.

B. Exploration. Lessee will take all steps a reasonably prudent mining operator would necessarily take to explore the Leased Premises for the Materials.

C. Duty to Make Marketable and Process. Lessee will take all steps necessary that a reasonable prudent mining operator would take to put the Materials into a marketable condition. Acting as a reasonable prudent mining operator includes taking steps for the reasonable development of the Leased Premises by considering such factors as the market and economic conditions of the industry and the ability to secure profits that will commonly benefit both the Lessor and the Lessee. Lessee agrees to act as a reasonable and prudent mining operator in developing, operating, and protecting Leased Premises with due regard for the interests of both the Lessor and Lessee. No cost incurred is deductible in the computation of the Royalty due under this Lease Agreement except where expressly allowed in this Lease Agreement. The Royalties paid or to be paid hereunder shall not relieve Lessee from any of the obligations herein expressed. Lessee will diligently market the Materials that are produced, processed and made marketable.

D. Compliance with Laws. Lessee shall comply with all applicable statutes, codes, ordinances, orders, rules, regulations, and other legal requirements of any governmental entity, now or hereafter adopted, including all laws pertaining to the environment, pollution and health and safety (hereinafter collectively referred to as "Laws") regarding the operation of Lessee's business and the use, condition and occupancy of the Leased Premises and the conduct of Lessee's operations on the Leased Premises. Lessee, within ten (10) days after receipt, shall provide Lessor with copies of any written notices and a written summary regarding any unwritten notices Lessee receives regarding a violation or alleged or potential violation of any Laws.

E. Antiquities Code. In the event that any foundation, site, item, or the feature of archaeological, scientific, or historic interest is encountered during the activities authorized by this Lease Agreement, Lessee will immediately cease such activities and will immediately notify Lessor and the Texas Antiquities Committee so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. In this regard, Lessee is expressly placed on notice of the National Historical Preservation Act of 1966, (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Natural Resources Code.

F. Qualification of Exploration, Development and Marketability Requirements. Lessor and Lessee acknowledge and agree that certain provisions of this Lease Agreement, including this Section 6. and Section 7., set out certain obligations of Lessee regarding exploration, marketability, and development. Lessor and Lessee desire to clarify Lessee's

obligations with respect to any such obligations. The terms of this Section 6. E. shall control over any other conflicting terms of this Lease Agreement. Lessor and Lessee acknowledge and agree that Lessee will take all steps necessary that a reasonable prudent mining operator operating a comparable property with similar annual gross revenues of Lessee would take to put the Materials into a marketable condition and that any analysis of the obligations of Lessee regarding exploration, marketability and development shall take in to account such factors as the market and economic conditions of the industry and the ability to secure profits that will commonly benefit both the Lessor and the Lessee. Lessor and Lessee further acknowledge and agree that Lessee's exploration, marketing and development obligations shall in no event be interpreted to require Lessee to engage in any activity that may be characterized as speculative or bear a high degree of risk. Lessor and Lessee hereby reconfirm that portion of Section 3. E. of this Lease Agreement which states that during the Primary Term of this Lease Agreement (not including any extension of the Primary Term), so long at the Minimum Royalty is paid to Lessor as provided herein, Lessee shall have no obligation to explore, market, produce and/or develop the Materials or otherwise develop the Leased Premises during the Primary Term, and this Lease Agreement shall remain in full force and effect.

7. DEVELOPMENT

All development shall be done in such a manner as to reasonably prevent the pollution of the environment, including water, soil, and air. Lessee will reasonably and diligently develop the Leased Premises into a viable mine and will reasonably mine the Materials in such a manner as is consistent with generally accepted mining practice. Neither rentals nor Royalties paid or to be paid hereunder shall relieve Lessee from any of the obligations herein expressed. Specific examples of compliance with the above include, but are not limited to:

- (a) Lessee agrees to slope the sides of all surface pits, excavations and subsidence areas in a manner consistent with good mining practices. Such sloping is to become a normal part of the operation;
- (b) Whenever practicable, all surface pits, excavations and subsidence areas will not be allowed to become a hazard to persons or livestock;
- (c) Lessee agrees to mine the Materials in such a manner as to leave as much level surface as is reasonable and consistent with prevailing good mining practices;
- (d) Lessee will carry on all operations on the Leased Premises in a workmanlike manner;
- (e) Lessee will maintain adequate gates and cattle guards where Lessee crosses existing fences with Lessee's operations;
- (f) Lessee will dump the waste material taken from the Leased Premises by Lessee's operations hereunder into pits or excavations made by the removal of Materials, leaving as few mounds or waste piles on the Leased Premises as reasonably possible; and

(g) As governed by the duties and standards set out in Section 6.C of this Lease, all Materials produced by Lessee from the Leased Premises that cannot be so marketed (herein called "Waste Materials") will be used to fill the pits and excavations on the Leased Premises and no Royalty shall be due thereon at that time. No other use of these Waste Materials or any Materials is allowed unless Lessee obtains Lessor's prior written consent to such other use. However, should another use of the Materials be permitted, Royalty shall be due for these used Materials in accordance with Sections 3 and 6.C of this Lease Agreement and, should another use of the Waste Materials be permitted, the Waste Material royalty exception of this subsection shall not apply and Royalty shall be due for these used Waste Materials in accordance with Sections 3 and 6.C of this Lease Agreement. Should changing technology or market conditions render any component of former Waste Materials profitably marketable, then Lessee will (1) process, make marketable and market those former Waste Materials as set out in Section 6.C of this Lease Agreement and (2) pay Royalty thereon in accordance with Sections 3 and 6.C of this Lease Agreement. Lessor reserves the title to all minerals contained in these Waste Materials both during the term of this Lease Agreement, and upon the expiration, surrender, or termination of this Lease Agreement.

Nothing in this section shall be construed to give Lessee the right to sell or otherwise dispose of minerals or substances other than Materials.

8. INDEMNIFICATION AND INSURANCE OBLIGATIONS

A. Indemnification. Lessee hereby releases and discharges Lessor, its officers, employees, partners, agents, contractors, subcontractors, lessees, licensees, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the negligent activities of Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests, and/or invitees arising out of, incidental to, or resulting from, the negligent operations of or for Lessee on the Leased Premises hereunder.

Lessee further agrees to indemnify, hold harmless and defend Lessor from and against any fines or penalties that may be assessed as a result of Lessee's operations on the Leased Premises.

Lessor hereby releases and discharges Lessee, its officers, employees, partners, agents, contractors, subcontractors, lessees, licensees, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the negligent activities of Lessor, its officers, partners, employees, agents, contractors, subcontractors, guests, and/or invitees arising out of, incidental to, or resulting from, the negligent operations of or for Lessor on the Leased Premises hereunder.

B. Insurance. Lessee agrees, at its own cost and expense, to carry comprehensive general liability insurance (with minimum limits of FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00), combined single limit) for bodily injury, death and property damage arising out

of Lessee's operation on the Leased Premises. Any company underwriting any of the insurance required to be maintained by Lessee shall have, according to the A. M. Best Insurance Guide, a Best's rating of not less than A- and a Financial Size Category of not less than VIII. All such insurance policies shall name Lessor as an "additional insured" and shall be primary with Lessor's policy being secondary and non-contributory. All such policies of insurance shall contain endorsements that the insurer(s) shall give Lessor and its designees at least thirty (30) days advance written notice of any change, cancellation, termination or lapse of insurance. Lessee shall provide Lessor with a certificate of insurance and all required endorsements evidencing Lessee's insurance prior to the earlier to occur of the commencement date of this Lease Agreement or the date Lessee is provided with possession of the Leased Premises for any reason, and with respect to renewals of Lessee's insurance, at least ten (10) days prior to the expiration of the insurance coverage. The limits of Lessee's insurance shall not limit Lessee's liability under this Lease Agreement.

9. USE OF THE LEASED PREMISES

A. Title Warranty. Lessor represents and warrants that Lessor is the owner of fee simple absolute title to the Leased Premises, has good and indefeasible title to the Leased Premises and to all Materials in, on and under said Leased Premises. Furthermore, Lessor covenants that Lessor has the unrestricted right to enter into and fully perform this Lease Agreement, subject to the pre-existing rights of holders of servitudes, rights of way, easements, restrictions and mineral interests, that are recorded or which are set forth in Exhibit B, attached hereto. Exhibit B, together with recorded documents of the character referenced in this paragraph, comprise all the pre-existing rights of holders of servitudes, rights of way, easements, restrictions and mineral interests to the present knowledge of Lessor, its officers, partners, agents, servants, and employees. Should there be other recorded documents or unrecorded documents of the kind and character referenced in this paragraph that exist and are presented for enforcement during the Lease Term or any part of thereof which result in the interference of Lessee's rights under this Lease Agreement, Lessee, at its sole option, shall have the right, as its exclusive remedy, to cancel without penalty the remainder of the Lease Agreement.

B. Undisturbed Enjoyment. Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests and/or invitees shall have the undisturbed enjoyment of its rights in and to the Leased Premises provided for in this Lease Agreement. Furthermore, Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests and/or invitees shall have the unrestricted right of ingress and egress to and from the Leased Premises for Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests and/or invitees subject to the rights of all owners and holders of legally recorded servitudes, rights of way, easements, restrictions and mineral interests, or as specifically set forth in Exhibit B, attached hereto and existing as of the commencement date of the Primary Term that may encumber or otherwise affect all or any part of the Leased Premises.

C. Lessor's Use of Leased Premises. Lessor shall have the right to enter into oil and gas leases with respect to all or any part of the Leased Premises subject to the rights of Lessee to fully conduct its operations on the Leased Premises without interference from any lessee of Lessor.

D. Surface Use Limitations. Lessee shall not drill or mine, erect buildings or conduct any mining operations within one hundred (100) feet of above-ground oil and gas improvements.

10. EVENTS OF DEFAULT

Each of the following events shall be deemed to be an "Event of Default" under this Lease Agreement:

(a) Lessee shall fail to pay any (i) Royalty (including, without limitation, Minimum Royalty), or (ii) any other sum of money required hereunder and such failure shall continue for more than thirty (30) days after written notice thereof to Lessee; provided, however, that Lessor will not be obligated to provide more than two (2) such notices during any twelve (12) month period with respect to the same or similar failure and thereafter during such twelve (12) month period, Lessee's failure to comply shall constitute an immediate Event of Default without the need for Lessor to send Lessee written notice of such failure.

(b) Lessee shall fail to comply with any term, provision or covenant of this Lease Agreement, other than as described in Subsection (a) above, and shall not cure such failure within thirty (30) days after written notice thereof to Lessee; provided, however, that Lessor will not be obligated to provide more than two (2) such notices during any twelve (12) month period with respect to the same or similar failure and thereafter during such twelve (12) month period, Lessee's failure to comply shall constitute an immediate Event of Default without the need for Lessor to send Lessee written notice of such failure. Notwithstanding the foregoing, if Lessee is entitled to receive from Lessor a notice of such failure and if such failure is not curable within the thirty (30) day period following Lessee's receipt of written notice thereof, such failure shall not constitute an Event of Default if Lessee commences good faith efforts to cure such failure within such thirty (30) day period and thereafter diligently pursues such curative efforts to completion in good faith. However, such failure shall nevertheless constitute an Event of Default notwithstanding Lessee's good faith best efforts to correct such failure if Lessee has been unable to cure such failure within ninety (90) days following receipt of written notice of such failure.

(c) Lessee shall file a petition for relief under the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or a petition for relief shall be filed against Lessee under the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof and such petition shall not be dismissed within ninety (90) days of the filing thereof; or Lessee shall be adjudged bankrupt or insolvent in proceedings filed against Lessee thereunder; or an order for relief shall be entered with respect to Lessee under the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or an order shall be entered by any governmental authority for the dissolution or liquidation of Lessee.

(d) Lessee shall do or permit to be done anything which creates a legally valid lien upon the Leased Premises or on any Material, and fails to have same removed within sixty (60) days notice of its filing (except for the Security Instrument (defined in Section 28)).

(e) Lessee shall default under any other lease or agreement with Lessor, now or hereafter existing.

(f) Lessee shall fail to have any Security Instrument (as defined in Section 28) released on or before the date agreed to at the time the Security Instrument is executed.

11. REMEDIES

A. General. Upon the occurrence of any Event of Default, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand for possession whatsoever (1) terminate this Lease Agreement in which event Lessee shall immediately surrender the Leased Premises to Lessor; (2) terminate Lessee's right to occupy the Leased Premises and re-enter and take possession of the Leased Premises (without terminating this Lease Agreement); (3) enter upon the Leased Premises and do whatever Lessee is obligated to do under the terms of this Lease Agreement (and Lessee shall reimburse Lessor on demand for any expenses which Lessor may incur in effecting compliance with Lessee's obligations under this Lease Agreement) and Lessor shall not be liable for any damages resulting to Lessee from such action; or (4) exercise all other remedies available to Lessor at law or in equity, including, without limitation, injunctive relief of all varieties. The provisions of this Section shall be enforceable to the maximum extent not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion. No re-entry or taking of possession of the Leased Premises by Lessor shall be construed as an election on Lessor's part to terminate this Lease unless a written notice of such termination is given to Lessee. The failure of Lessor to insist at any time upon the strict performance of any covenant or agreement herein or to exercise any option, right, power or remedy contained in this Lease Agreement shall not be construed as a waiver or a relinquishment thereof for the future. No payment by Lessee or receipt by Lessor of a lesser amount than the amount then due under this Lease Agreement shall be deemed to be other than on account of the earliest obligation of Lessee due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction. Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such obligation of Lessee or pursue any other remedy in this Lease Agreement provided. All rights, privileges and remedies afforded either of the parties hereto by this Lease Agreement or by law shall be deemed cumulative, and the exercise of any one of such rights, privileges and remedies shall not be deemed to be a waiver of any other right, privilege or remedy provided for herein or granted by law, except as may otherwise be provided for pursuant to the terms of this Lease Agreement.

B. Re-Entry by Lessor. Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in or future Royalties, expel or remove Lessee and any other person who may be occupying the Leased Premises or any part thereof. The provisions of Section 11.A shall apply with respect to the period from and after the giving of notice of such repossession by Lessor.

C. Termination of Lease Agreement. If Lessor elects to terminate this Lease Agreement pursuant to the terms of Section 11.A., then, notwithstanding such termination, Lessee shall be liable for and shall pay to Lessor the sum of all Royalties (including, without limitation, all Minimum Royalty) and other indebtedness accrued to the date of such termination,

plus, as damages, an amount equal to the total of (1) the cost of recovering the Leased Premises, (2) the cost of removing and storing Lessee's and other occupant's property located therein, (3) the cost of collecting such amounts from Lessee hereunder, and (4) any other sums of money or damages that may be owed to Lessor as the result of default by Lessee or the exercise of Lessor's rights at law or in equity. For clarification purposes, Lessee does not have an option to terminate the Lease Agreement during the Primary Term and regardless of when the Lease Agreement is terminated, Lessee will owe, at a minimum, the Minimum Royalty payment for each year during the Primary Term, subject to Lessor's compliance with its obligations under this Lease.

12. TERMINATION BY LESSEE

Lessee shall have the right, at its option, to terminate this Lease Agreement, with or without cause, at any time after the Primary Term hereof by giving at least six (6) months prior written notice to Lessor. Lessee does not have the right to terminate this Lease Agreement during the Primary Term. Upon any termination by Lessee, except for the rights set forth in Sections 14 and 15, all rights and obligations of the parties hereunder shall cease, except for rights or obligations which accrued prior to the effective date of such termination.

13. FORCE MAJEURE

Should Lessee be prevented, by any cause beyond Lessee's control (including, without limitation, fire, cave-in, flood, windstorm, other damage from the elements, strike, riot, scarcity of or inability to obtain necessary equipment or materials, unavailability of transportation, any federal or state law or any order, rule or regulation of governmental authority, litigation, act of God, or act of public enemy), from complying with any express or implied covenant of this Lease Agreement, then, while so prevented, Lessee's obligation to comply with such covenant shall be suspended. Lessee shall, within a reasonable period of time, notify Lessor of the beginning and ending date of each such period of force majeure. Notwithstanding any of the foregoing, any occurrence of force majeure caused or contributed to because of any action or inaction of Lessee shall not be deemed beyond Lessee's control.

14. END OF TERM

Except as otherwise provided herein, Lessee shall have the right and shall be obligated within three (3) months from and after the expiration of the term of this Lease Agreement or the earlier termination hereof, to dismantle and remove plants, machinery, equipment, improvements and other facilities installed or constructed on the Leased Premises by Lessee, and to sell and remove Materials then stockpiled on the Leased Premises. Notwithstanding any of the foregoing, prior to removal of any of the concrete improvements located on the Leased Premises, Lessee will consult with Lessor to determine if Lessor would prefer that such concrete improvements remain on the Leased Premises. Lessee may, at its sole discretion, abandon to Lessor any and all stockpiled Materials as is and where is on the Leased Premises. Additionally, Lessee shall be allowed to leave in place as is and where is any and all roads, and any and all other surface features requested by Lessor and agreed to and constructed by Lessee pursuant to said requests, if any. Notwithstanding any of the foregoing, Lessee shall not have the right to remove from the Leased Premises, and Lessee shall abandon to Lessor at the expiration or earlier termination of this Lease Agreement, at no expense to Lessor, all water wells, pipelines, water lines and related

equipment (including, without limitation, pumps) related to such water wells, pipelines, and water lines) located on the Leased Premises. For the avoidance of doubt, Lessor acknowledges that upon expiration or earlier termination of this Lease Agreement, Lessor shall have no claim to and Lessee shall be entitled to remove from the Leased Premises any and all stand alone water pumps owned by Lessee or used in the operation of Lessee's business.

15. RESTORATION OF PREMISES

Lessee shall conduct all operations on the Leased Premises in such a manner as not to unreasonably damage the portion of the Leased Premises where there will be no mining operations. Lessee shall conduct all operations in such a manner as to observe and comply with all Laws applicable to the Leased Premises and all Laws applicable to the conduct of Lessee's operations.

Lessee expressly agrees to dispose of all tailings and other mining wastes in accordance with all applicable Laws and shall reclaim all of disturbed perimeter portions of any lakes created by mining such that those perimeter portions shall be left at a slope no steeper than four feet horizontal to one foot vertical within three (3) months of termination of the Lease Agreement.

By the expiration or earlier termination of the term of this Lease Agreement, Lessee shall grade that portion of the Leased Premises which has been excavated by Lessee or on which Lessee has conducted operations so as to eliminate all unreasonable irregularities therein and so that such portion of the Leased Premises which has been excavated by Lessee conforms to the drawing set forth on Exhibit C attached hereto. Upon completion of the required grading, Lessee shall cover such area with sand, clay, or topsoil, or a mixture of any of the foregoing, from the resources then existing on the Leased Premises, and shall thereafter reseed the surface with a seed mixture approved by Lessor. Notwithstanding the foregoing, in no event shall Lessee be required to import any Materials, including but not limited to, sand, clay, or topsoil from off-site for purposes of complying with its restoration obligations in this Section 15. Should this obligation not be met by the end of the term of this Lease Agreement, it shall nevertheless survive and continue beyond the term of this Lease Agreement and shall be an obligation owed by Lessee to Lessor. This obligation is owed by Lessee in addition to any other obligation imposed upon Lessee by this Lease Agreement.

16. ADDITIONAL RIGHTS AND OBLIGATIONS OF LESSOR AND LESSEE

A. Continuing Ownership of Certain Minerals. This Lease Agreement shall be subordinate and inferior to any and all existing recorded oil and gas leases, severed mineral interests, easements, rights of way and/or restrictions, (including those which are set forth in Exhibit B, attached hereto), affecting all or any portion of the Leased Premises, and any severed mineral interests, easements, rights of way and/or restrictions affecting the Leased Premises and executed by Lessor subsequent to the commencement date of this Lease Agreement shall be subordinate and inferior to this Lease Agreement. Any oil and gas lease executed by Lessor subsequent to the commencement date of this Lease Agreement shall be subordinate and inferior to this Lease Agreement only to the extent of the surface rights of the lessee under such oil and gas lease would interfere with Lessee's rights hereunder to mine and remove Materials.

B. **Agricultural and Water Rights.** Lessor retains title to, and at Lessor's option the right to, remove and sell all of the merchantable timber, grass, fences, and other improvements on said Leased Premises provided it does not unreasonably interfere with Lessee's operations. Subject to Lessee's non-exclusive right to use the water on the surface and subsurface of the Leased Premises, Lessor retains title to, and at Lessor's option the right to, remove and sell water from said Leased Premises provided it does not unreasonably interfere with Lessee's operations. There is further excepted and reserved to Lessor the full use of the Leased Premises and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of the Leased Premises by Lessor, for all purposes (including, without limitation, any and all agricultural purposes) not inconsistent with the rights granted to Lessee in this Lease Agreement. All of the rights in and to the Leased Premises retained by Lessor and all of the rights in and to the Leased Premises granted to Lessee shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

Lessor hereby agrees that any merchantable timber, fences and other improvements which are not removed by Lessor from the Leased Premises within sixty (60) days following written notice from Lessee to Lessor of Lessee's intent to mine any area of the Leased Premises upon which merchantable timber, fences and other improvements are located shall be deemed abandoned to Lessee for its disposal. However for any portion of the Leased Premises upon which pulp wood size or larger timber is standing and is harvest able, Lessee shall be obligated to provide at least six (6) months notice in advance to Lessor or pay fair market value for the saleable timber after either of which said timber shall be deemed abandoned to Lessee for its disposal. In addition, Lessee at Lessee's expense shall relocate (including by means of replacement if necessary) to a location reasonably acceptable to Lessor all fences removed or to be removed by Lessee which are reasonably necessary for confining any livestock located on any portion of the Leased Premises.

C. **Security Access.** Lessor acknowledges that Lessee shall utilize valuable equipment in conducting its operation on the Leased Premises and Lessee may desire to secure the Leased Premises for the protection of its property. Accordingly, Lessor grants unto Lessee the right to utilize the existing fences and to otherwise secure the Leased Premises as it deems desirable. Lessor and Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, invitees and guests shall be permitted access to the Leased Premises to engage in the activities permitted them under this Lease Agreement and to make periodic inspections of Lessee's operations. The right reserved unto Lessor and Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, invitees and guests shall be personal and non-assignable without the written consent of Lessee.

D. **Lease Security.** Lessee will take ordinary care and all safeguards a reasonably prudent operator would take to protect the Leased Premises and to prevent theft of all Materials produced from the Leased Premises. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production and storage systems where theft of said Materials can occur.

E. **Inspections.** Upon three (3) days prior written notice, Lessee's mining, milling, and processing operations shall be subject at any reasonable time during regular business hours

to inspection by Lessor and/or Lessor's authorized representatives. This inspection right shall include the following: Lessor and/or Lessor's authorized representatives are authorized to (a) check scales, sampling and assaying procedures as to their accuracy, (b) have full access to any of the entries, shafts, pits, stopes or workings on the Leased Premises, and c) examine all weight sheets, records and any other documents that may show in any way the Material output of the Leased Premises. Copies of any records or other documents pertaining to these operations reasonably necessary in order for Lessor to reasonably verify the proper and timely performance by Lessee of Lessee's obligations under this Lease Agreement shall be furnished to Lessor upon written request.

F. Required Deliveries. A log, sample analysis, or other information obtained from each test drilled or area sampled on the Leased Premises shall be delivered to Lessor upon a reasonable request as to time and place, and at the cost of Lessor. Further, Lessee shall furnish to Lessor by January 31 of each calendar year during the term of this Lease Agreement a map or plat showing all activities and workings conducted on or in association with this Lease Agreement during the immediately preceding calendar year.

17. [INTENTIONALLY OMITTED]

18. LESSOR'S LIEN WAIVER AND SUBORDINATION

Lessor waives any contractual, constitutional, or statutory lien in all goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper, and any other personal property of Lessee located at the Leased Premises, and, if Lessee is not in default, Lessor, within ten (10) days of Lessee's written request, will sign and deliver an estoppel letter to Lessee and/or any third party confirming this waiver.

19. HAZARDOUS MATERIALS

No Hazardous Material (except for motor vehicle fuels and lubricants used in the ordinary course of Lessee's business at the Leased Premises and that are used, kept and disposed of off-site in compliance with Laws) shall be brought upon, used, kept, disturbed, processed, or disposed of in, on, under, at, about, or from the Leased Premises by Lessee or any other party during the Lease Agreement term without Lessor's prior written consent, which consent may be withheld in Lessor's sole and absolute discretion. All such Hazardous Materials (even if consented to by Lessor) shall be used, kept, processed, stored, treated and disposed of at the sole risk and expense of Lessee. If Contamination occurs as a result of an act or omission of any Lessee or any other party during the Lease Agreement term, Lessee shall, at its expense, promptly take all actions necessary to comply with Laws and to return the Leased Premises and any adjoining or affected property to its condition prior to such Contamination, subject to Lessor's prior written approval of Lessee's proposed methods, times and procedures for remediation. Lessee shall provide Lessor reasonably satisfactory evidence that such actions shall not adversely affect Lessor or any of Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, guests, or invitees or the Leased Premises or any other property. Lessor may require that a representative of Lessor be present during any such actions. If Lessee fails to take and diligently prosecute any necessary investigatory or other remedial actions within thirty (30) days after written notice from Lessor or any governmental agency (or

any shorter period required by any governmental agency) that such investigatory or remedial action is required, Lessor may take such actions and Lessee shall reimburse Lessor for its costs therefore including those of any environmental consulting or attorneys fees, within thirty (30) days of Lessor's invoice. For purposes of this Lease Agreement, a "Hazardous Material" is any substance (y) the presence of which requires, or may hereafter require, notification, investigation or remediation under any Laws; or (z) which is now or hereafter defined, listed, regulated, or subject to liability by any Law or governmental authority as a "hazardous waste," "extremely hazardous waste," "solid waste," "toxic substance," "hazardous substance," "hazardous material," "regulated substance," "pollutant," "contaminant," or otherwise regulated under or subject to liability under any Laws. "Contamination" means any release or threatened release of a Hazardous Material in, on, under, at, about, or from the Leased Premises which may result in any liability, fine, use restriction, cost recovery or contribution claim, lien, reporting, investigation, or remediation requirement, or other government or private party action or imposition affecting Lessor or any of Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, guests, or invitees or the Leased Premises. For purposes of this Lease Agreement, claims arising from Contamination shall include, but not be limited to, diminution in value, restrictions on use, and all costs of site investigation, response, remediation, removal and restoration work.

20. NOTICES

All notices, unless otherwise provided for herein, shall be in writing and delivered in person or by U.S. certified mail, return receipt requested to the respective parties at their respective addresses set forth in the caption of this Lease Agreement or such other address as shall be specified in a notice given by such party to the other in accordance with this Section. Lessee may send any and all payments and Royalty accounting statements to Lessor by first class mail or as otherwise provided for herein. All said notices shall be deemed properly given at the time when delivered to the party to which such notice is directed in person or four (4) business days after being deposited in the United States Postal Service or nationwide overnight delivery service, properly addressed to such party, at such party's mailing or direct delivery address set forth hereinabove with postage or delivery prepaid, sent by certified mail or overnight delivery, return receipt requested.

21. ASSIGNMENTS

A. By Lessee. Except for (i) the assignment of Lessee's interest in this Lease, or any portion thereof, to Lessee's lender, provided that such lender agrees to assume Lessee's obligations hereunder upon any exercise of its interest herein at the time of such exercise; or (ii) the assignment of Lessee's interest in this Lease in connection with the sale of substantially all of Lessee's assets or stock, and provided that such purchaser assumes Lessee's obligations hereunder, Lessee shall not assign, transfer or encumber any interest in this Lease Agreement without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed by Lessor. Any attempted assignment in violation of this Section is voidable at Lessor's option. Upon any permitted assignment by Lessee of this Lease Agreement, in whole or in part, the assignee will succeed to all rights and be subject to all liabilities, claims, obligations, penalties, and the like, theretofore incurred by the assignor, including any liabilities to Lessor for unpaid Royalties. However, such assignment will not have the effect of releasing

the assignor from any liability, claim, obligation, penalty, or the like, theretofore accrued in favor of Lessor. In addition, upon any assignment of this Lease Agreement by Lessee, the assignee assumes, for the benefit of Lessor, the obligation to fulfill all provisions and covenants of this Lease Agreement, both expressed and implied. Assignee, as used in this section, shall also include any successor, devisee, legal representative or heir of an assignee who acquires any right or obligation initially held by that assignee under this Lease Agreement.

Upon any permitted assignment by Lessee of any divided part of this Lease Agreement, whether divided by acreage, zone, horizon, mineral or other similar method, such assigned interest shall become segregated from the remaining portion of this Lease Agreement so that from the date of such assignment or assignments, the provisions hereof shall extend and be applicable severally and separately to each segregated portion of the Leased Premises and so assigned, so that performance or lack of performance of the provisions hereof as to any segregated portion of this Lease Agreement shall not benefit or prejudice any other segregated portion, to the same extent as if each segregated portion of the Leased Premises are under separate leases.

In the case of any permitted assignment by Lessee of any undivided interest in this Lease Agreement, no covenant or condition hereof, implied or expressed, is divisible. Anything less than complete compliance with such covenants or conditions shall render this Lease Agreement subject to forfeiture and/or termination as provided by the provisions of this Lease Agreement.

B. By Lessor. Lessor shall not assign or transfer any interest in this Lease Agreement or sublease or allow any third party to use any portion of the Leased Premises without the prior written consent of Lessee, which consent shall not be unreasonably withheld, conditioned or delayed by Lessee. Any attempted assignment or subletting in violation of this Section is voidable at Lessee's option. Upon any permitted assignment by Lessor of this Lease Agreement, in whole or in part, the assignee will succeed to all rights and be subject to all liabilities, claims, obligations, penalties, and the like, theretofore incurred by the assignor, including any liabilities to Lessee. However, such assignment will not have the effect of releasing the assignor from any liability, claim, obligation, penalty, or the like, theretofore accrued in favor of Lessee. In addition, upon any assignment of this Lease Agreement by Lessor, the assignee assumes, for the benefit of Lessee, the obligation to fulfill all provisions and covenants of this Lease Agreement, both expressed and implied. Assignee, as used in this section, shall also include any successor, devisee, legal representative or heir of an assignee who acquires any right or obligation initially held by that assignee under this Lease Agreement.

22. SUCCESSORS

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and the respective heirs, personal representatives, successors, and permitted assigns of the parties hereto.

23. ENTIRE AGREEMENT

This Lease Agreement, together with the Escrow Agreement, comprises the entire agreement between the parties hereto with respect to the subject matter hereof and may only be

changed or modified by an agreement in writing executed by all parties and, with respect to the Escrow Agreement, the Escrow Agent.

24. SEVERABILITY

In the event any provision of this Lease Agreement conflicts with any law under which this Lease Agreement is to be construed or if any such provision is held invalid or unenforceable by a court with jurisdiction of the parties to this Lease Agreement, such provision shall be deemed deleted from the Lease Agreement and the Lease Agreement shall be construed to give effect to the remaining provisions thereof.

25. GOVERNING LAW

This Lease Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Texas. Exclusive venue for any court action or litigation in connection therewith shall lie in the state courts of Hood County, Texas. In the event any action is brought to interpret or enforce this Lease Agreement, then the prevailing party in such action shall be entitled to recover from the other party attorney's fees and court cost incurred in such action.

26. MEMORANDUM OF LEASE

Lessor and Lessee agree to sign a Memorandum of Lease Agreement for recording purposes if either party requests. Such Memorandum of Lease Agreement shall be in form and substance reasonably satisfactory to Lessor and Lessee.

27. CONDEMNATION

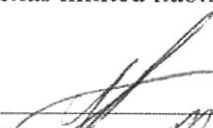
If, during the lease term, or any extension of the lease term, all or a part of the Leased Premises are taken for any public or quasi-public use under any governmental law, ordinance, or regulation or right of eminent domain, or are sold to the condemning authority under threat of condemnation, this lease will terminate, and any royalties owed for the unexpired term of this lease, or extension thereof, will be forgiven.

[SIGNATURE PAGE TO FOLLOW]

THUS DONE AND SIGNED by the respective parties hereto, after due and complete reading of the whole, to be effective for all purposes as of the date first above written.

LESSOR:

GHMR Operations, LLC,
a Texas limited liability company

By 
Name Marty Robertson
Title Member

LESSEE:

Lonestar Prospects, Ltd.,
a Texas limited partnership

By: GRJ Holdings, L.L.C., a Texas limited liability
company, its General Partner

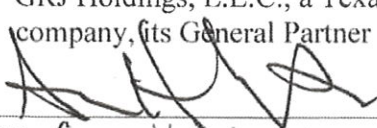
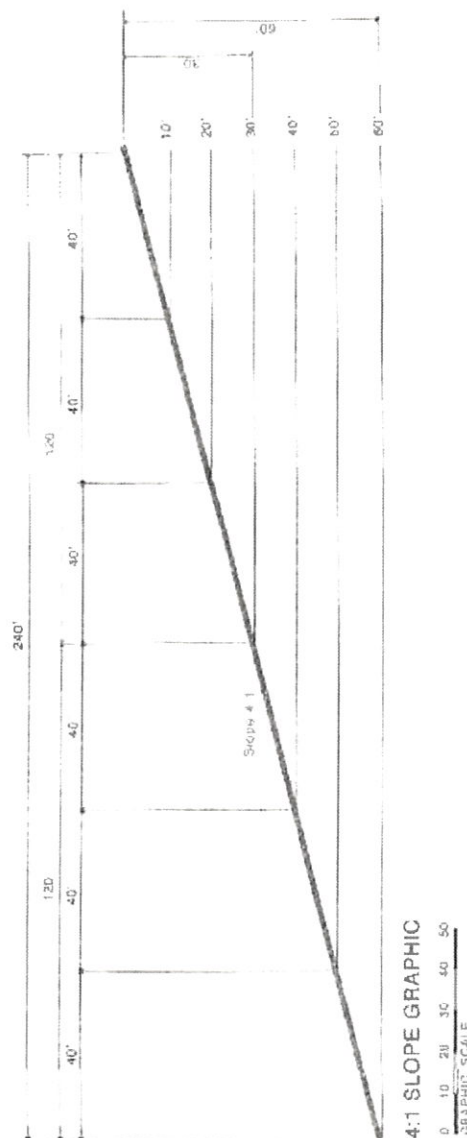
By 
Name Gary Humphreys
Title member

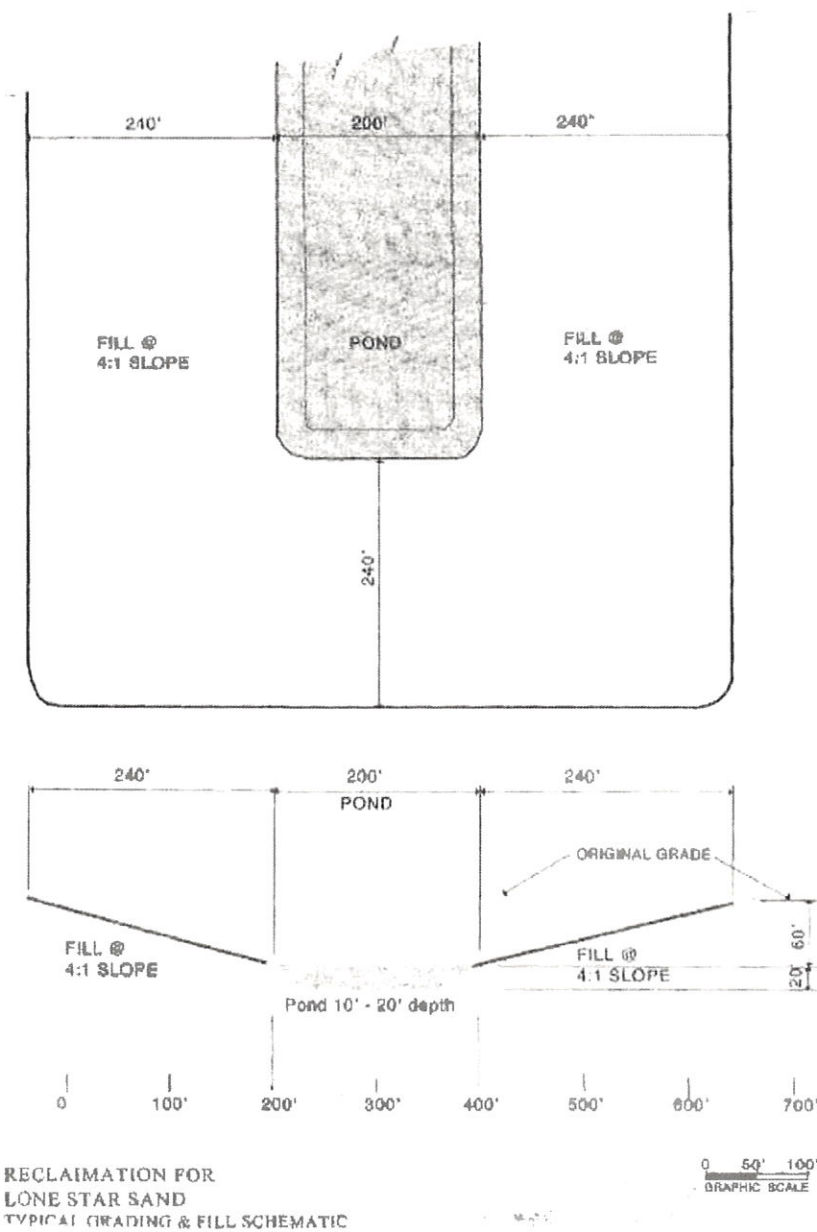
Exhibit "A"

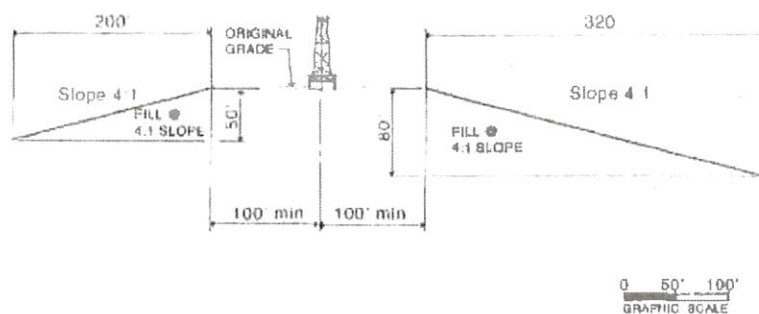
Exhibit "B"

Exhibit "C"



RECLAMATION FOR
LONE STAR SAND
~~RECLAMATION, INC.~~





RECLAMATION FOR
LONE STAR SAND
GAS WELL GRADING PLAN

EXHIBIT C

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this “**Amendment**”) is entered into to be effective as of March 1, 2017 by and between **GHMR OPERATIONS LLC**, a Texas limited liability company (“**Lessor**”), and **LONESTAR PROSPECTS, LTD.**, a Texas limited partnership (“**Lessee**”).

Recitals

- A. Lessor and Lessee are parties to that certain Lease Agreement dated December 1, 2014 (as amended, modified and supplemented from time to time, the “**Lease Agreement**”), covering real property, lying and being situated in Hood County, Texas, as more particularly described in **Exhibit “A”**, attached hereto. Any capitalized term used but not defined herein shall have the same meaning given to such term in the Lease Agreement.
- B. Lessor and Lessee desire to amend the Lease Agreement, as more particularly set forth below.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties agree as follows:

- 1. **Introductory Paragraph.** The Introductory Paragraph of the Lease Agreement is hereby amended by replacing the parenthetical “(this “**Lease Agreement**”)” with the parenthetical “(this Lease Agreement, as amended, modified and supplemented from time to time in accordance with the terms hereof, this “**Lease Agreement**”)”.
- 2. **Security Instrument.** The Lease Agreement is hereby amended by adding a new Section 28 thereto to read as follows:

“A. Notwithstanding any contrary provision of this Lease Agreement, Lessee shall have the right at any time and from time to time to obtain leasehold financing of the Leased Premises and in connection therewith to grant one or more security instruments in the nature of a leasehold mortgage, deed of trust assignment of leases and rents, security agreement, and/or fixture filing covering Lessee’s leasehold interest in and to the Leased Premises and to recording of same in the applicable real property records. Lessor also consents to the execution and delivery by Lessee, and the filing and/or recording in the appropriate public records, of such additional documents and instruments as lender may deem necessary or desirable to establish, perfect and maintain a lien upon and against Lessee’s said leasehold interests, including, but not limited to, a leasehold mortgage, deed of trust, assignment of leases and rents, security agreement, and/or fixture filings, Uniform Commercial Code financing statements and such other documents, instruments, and agreements as such lender may hereafter deem necessary or desirable in connection with the creation, grant, maintenance or enforcement of said lien, including, but not limited to, any such documents and instruments executed in connection with any renewal, extension and/or modification of such lien (a “**Security Instrument**”). Notwithstanding anything to the contrary herein, the Security Instrument shall not create a lien against or

otherwise encumber Lessor's interest in the fee estate. To the extent of any conflict between the provisions of this Section 28 and any other provision of the Lease Agreement, including, without limitation, Sections 10 and 21 of the Lease Agreement, the provisions of Section 28 shall control.

B. Should Lessee intend to give a Security Instrument to any institutional lender intending to provide leasehold financing in accordance with the foregoing (hereinafter, "Lender"), Lessor and Lessee agree to the following terms for the benefit of any such Lender, which shall be self-executing; but within ten (10) business days after request by Lessee, Lessor will also execute and deliver an agreement for the benefit of such Lender containing substantially the following terms:

(i) In the event of any default or Event of Default by Lessee under the Lease Agreement, Lessor shall give written notice thereof to Lender at the address provided by such Lender simultaneously with delivery to Lessee of such notice. Lender shall have the right (but not the obligation) to cure such default or failure within (i) ten (10) business days following the expiration of Lessee's cure period under the Lease Agreement if such default is non-monetary, or (ii) five (5) business days following the expiration of Lessee's cure period under the Lease Agreement if such default is monetary; and Lessor shall not take any action with respect to such failure under the Lease Agreement until the expiration of the applicable Lender cure period. Lessor hereby agrees to accept performance by Lender as if performed by Lessee.

(ii) Lessor and Lessee each authorize Lender to enter the Leased Premises as necessary to affect Lender's cure of a default under the Lease Agreement and to take any actions reasonably necessary in furtherance of the same. Lender's rights hereunder shall not constitute control of the Leased Premises or otherwise be construed to mean that Lender has possession or control of the Leased Premises. No such performance by Lender shall cause Lender to become a "mortgagee in possession" or otherwise cause Lender to be deemed to be in possession of the Leased Premises or bound by the Lease Agreement. No liability for the payment of rent or royalty or the performance of any of Lessee's covenants and agreements under the Lease Agreement shall be imposed upon the Lender by reason of its exercise, or attempt to exercise, any of the rights provided for or reserved herein, unless (A) the Lender has direct or indirect control over the Leased Premises, (B) the Lender actually acquires the leasehold estate, or (C) the Lender otherwise expressly assumes the same in writing.

(iii) In the event of the termination for any reason of the Lease Agreement or of any new lease made pursuant to the provisions of this subsection prior to its stated expiration date or of the rejection of the Lease Agreement or any new lease by the Lessee or any trustee or receiver in any bankruptcy or other proceeding, pursuant to 11 U.S.C. § 365 or any other provision of the Bankruptcy Code, Lessor will, upon receiving notice from the Lessee, bankruptcy trustee receiver, or any other such bankruptcy court or other court notice, of such termination or rejection of the Lease Agreement or any new lease, notify the Lender under any Security Instrument in writing at the address provided to Lessor and certify to such Lender all amounts then due to Lessor under the Lease Agreement (or such new lease), and Lessor will enter into a new lease with such Lender

(or its designee or nominee) for the remainder of the term, to commence as of the date of the termination or rejection pursuant to 11 U.S.C. § 365 or any other provision of the Bankruptcy Code, of the Lease Agreement (or the new lease) at the rental or royalty rates and upon all of the other terms, provisions, covenants and agreements in the Lease Agreement contained, including all renewal options not then exercised and any other rights and options then remaining, upon condition that (a) such Lender shall make written request to Lessor for such new lease not later than twenty (20) days from the date such notice by Lessor is delivered to Lender, (b) Lender (or its designee or nominee) shall pay to Lessor at the time of the execution and delivery of said new lease all sums which, as of the date of execution and delivery of such new lease, were past due and owing under the Lease Agreement; and (c) such new lease shall require the Lessee thereunder to perform any obligation of Lessee under the Lease Agreement not then performed, but only if such obligation is reasonably susceptible of being performed by the new Lessee. With respect to the sum owed to Lessor by Lessee under the Lease, which sum must be paid by Lender (or its designee or nominee) as a condition of entering into the new lease, there shall be excluded from the sum payable to Lessor (i) any net income which Lessor shall have received from the Leased Premises after the termination or rejection of the Lease Agreement, pursuant to 11 U.S.C. § 365 or any other provision of the Bankruptcy Code, (ii) to the extent the Lessee is the subject of any bankruptcy proceeding, any rent or royalty received by Lessor during the time from the filing of such proceeding through rejection of the lease, (iii) any amount to which Lessor would or could be entitled, to assert under the Bankruptcy Code, whether actually asserted or not, and in the amount of the actual claim the Lessor would or could assert under the Bankruptcy Code, notwithstanding actual or potential distributions on any such claim in such bankruptcy or other similar proceeding and (iv) any administrative claims Lessor may have in any such bankruptcy proceeding, in the full amount of such administrative claim, without regard to whether such administrative claim is allowable and without regard to actual or potential distributions on such administrative claim in such bankruptcy or other similar proceeding. A Lender (or its designee or nominee) named as Lessee in any such new lease shall have the right to assign the Lease Agreement to any party, without any requirement for consent by Lessor. Upon delivery to Lessor of a duplicate original of an instrument of assignment containing such assignee's assumption of the Lease Agreement, such assignee of the Lender or its designee or nominee under a Security Instrument shall become Lessee, and shall be substituted for such Lender or nominee as the Lessee and holder of the new lease for all purposes, as of the effective date of such assignment and Lender shall be released from all obligations hereunder or under the new lease arising from and after the effective date of such assignment.

(iv) Lender shall in no event be required to cure or commence to cure or to continue to cure any default under the Lease Agreement, except as specified herein as a prerequisite for the exercise or preservation of Lender's rights. Lender may exercise its rights hereunder through an affiliate, assignee, designee, nominee, subsidiary, or other person, acting in its own name or in Lender's name (and anyone acting under this clause shall automatically have the same rights, protections and limitations of liability as Lender).

(v) Lessor consents to the exercise by Lender of any and all rights and remedies permitted under the Security Instrument and such other documents, instruments and agreements as may be executed by Lessee in connection with the Security Instrument, and to the exercise of such additional legal and equitable rights and remedies as may be available to Lender, in the event of a default or Event of Default under a Security Instrument.

(vi) In the event Lender (or its designee or nominee) or a purchaser or transferee of Lender (or its designee or nominee) shall ever become the owner of the rights and interests of Lessee in and to the Leased Premises and Lease Agreement by reason of judicial foreclosure, non-judicial trustee's sale, assignment in lieu of foreclosure, or similar transfer or proceedings brought or entered into by Lender to enforce its rights under the Security Instrument, or through any other means or manner in connection with the leasehold financing, Lender or such purchaser or transferee, and any subsequent purchaser or transferee of the Lease Agreement from Lender (or its nominee or designee) shall be deemed to be Lessee's successor and assignee under the Lease Agreement (notwithstanding anything in the Lease Agreement prohibiting or restricting assignment by the Lessee or establishing conditions under which an assignment by the Lessee would be permitted) and shall be entitled to all rights, benefits and privileges of the Lessee under the Lease Agreement; and Lessor shall be bound to Lender (or its nominee or designee) or such purchaser or transferee under all of the terms, covenants and conditions of the Lease Agreement for the balance of the Primary Term thereof remaining and any extension period thereof duly exercised as permitted by the Lease Agreement, all without the need to execute any further instruments on the part of Lessor, Lessee, Lender (or its nominee or designee) or such purchaser or transferee to make such succession and assignment effective and binding upon Lessor.

(vii) Notwithstanding anything to the contrary set forth or contained in the Lease Agreement, Lessor hereby waives any contractual and/or statutory liens and any rights of distress with respect to the property of Lessee (or Lessee's sublessees, successors or assigns, including Lender) from time to time located within or upon the Leased Premises, during the term of the Lease Agreement or any extension thereof.

(viii) The Lease Agreement shall not be amended or modified in any material manner or respect without the prior written consent of Lender, which consent shall not be unreasonably withheld. Lessor and Lessee warrant and represent to Lender that the copy of the Lease Agreement and other written documents attached as Exhibit B to the Amendment are true, correct and complete copies of the Lease Agreement and that the Lease Agreement is in full force and effect and has not been amended or modified except as disclosed in Exhibit B attached hereto and incorporated herein by this reference. Other than the Lease Agreement (and any amendments thereto as are described herein and any estoppel certificates and consents given by Lessor to Lessee with respect to the Lease Agreement), there are no other agreements, written or oral, between Lessor and Lessee regarding the Lease Agreement or the Leased Premises. The Lessor has not assigned the Lease Agreement. Lessor represents and warrants to Lender that no consent or joinder of any other party is required to Lessor's execution of this Agreement.

(ix) For purposes of the Lease Agreement, the term Lender shall include its successors and assigns and its nominees and designees, or court appointed receivers who take possession and control of the Leased Premises including, but not limited to, any person who acquires Lessee's interest under the Lease Agreement pursuant to a foreclosure of the Security Instrument or a transfer in lieu of foreclosure. All references herein to Lessor and Lessee shall likewise include the respective personal representatives, heirs, successors and assigns for each such party (including, without limitation, any person, party or entity to whom either Lessor's and/or Lessee's respective rights and interests in and under the Lease Agreement may be assigned). This Lease Agreement shall inure to the benefit of Lender and the parties hereto and their respective heirs, legal representatives, successors and assigns.

(x) Notwithstanding anything in the Lease Agreement to the contrary, the settlement, collection and application of insurance proceeds shall be subject to the rights of Lender under the Security Instrument.

(xi) Lessor agrees that it shall, within thirty (30) days of request by Lender (such request not to be more often than annually unless a Default or Event of Default shall have occurred under the Security Instrument, in which case Lender may make such request within 90 days of the occurrence of such Default or Event of Default), provide to Lender a certificate confirming whether or not the Lease Agreement is in full force and effect, unmodified or, if the Lease Agreement has been modified, the date of each modification (together with copies of each such modification), stating whether any notice of termination thereof has been served upon Lessee, stating whether to Lessor's knowledge, a default beyond any applicable notice and cure period is existing under the Lease Agreement and specifying the nature of any such default.

3. Legal Description. A recent survey of the Leased Premises was prepared at the request of Lessee. In order for the Leased Premises to reflect and include the legal description obtained from such survey, the Lease Agreement is hereby amended by deleting **Exhibit "A"** as originally attached to the Lease Agreement, and replacing the same with the legal description attached hereto as **Exhibit "A"**.

4. Estoppel. Each of the Lessor and Lessee acknowledge, consent and confirm that (i) the Lease Agreement is in full force and effect; (ii) the Lease Agreement has not been amended, modified or supplemented other than by, effective upon the execution and delivery hereof, this Amendment; (iii) no default of Event of Default has occurred under the Lease Agreement; (iv) Lessee intends to enter into that certain Leasehold Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Rents and Leases with Ares Capital Corporation as beneficiary and administrative agent (as amended, modified or supplemented from time to time in accordance with the terms thereof, the "Ares Capital Mortgage"); (v) Ares Capital Corporation is a "Lender" under this Lease Agreement; and (vi) the Ares Capital Mortgage and the related documents, instruments and financing statements are "Security Instruments" hereunder and as such, the Lessee entering into the such documents and granting the liens and taking the other actions provided for thereunder are permitted under this Lease Agreement.


5. **Miscellaneous.** This Amendment contains the parties' entire agreement regarding the subject matter covered by this Amendment, and supersedes all prior correspondence, negotiations and agreements, if any, whether oral or written, between the parties concerning such subject matter. There are no contemporaneous oral agreements, and there are no representations or warranties between the parties not contained in the Lease Agreement, as amended by this Amendment. Except as modified by this Amendment, the terms and provisions of the Lease Agreement shall remain in full force and effect, and the Lease Agreement, as modified by this Amendment, shall be binding upon and shall inure to the benefit of the parties hereto, their successors and permitted assigns. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall be one instrument.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, this First Amendment to Lease Agreement has been executed by the parties to be effective as of the date first set forth above.

LESSOR:

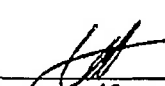
GHMR Operations, LLC,
a Texas limited liability company

By 
Name Martin Robertson
Title managing member

LESSEE:

Lonestar Prospects, Ltd.,
a Texas limited partnership

By: Lonestar Prospects Management, L.L.C.,
a Texas limited liability company,
its General Partner

By 
Name Martin Robertson
Title managing member

ACKNOWLEDGED BY LENDER:

Ares Capital Corporation,
as Lender

By _____
Name _____
Title _____

IN WITNESS WHEREOF, this First Amendment to Lease Agreement has been executed by the parties to be effective as of the date first set forth above.

LESSOR:

GHMR Operations, LLC,
a Texas limited liability company

By _____
Name _____
Title _____

LESSEE:

Lonestar Prospects, Ltd.,
a Texas limited partnership

By: Lonestar Prospects Management, L.L.C.,
a Texas limited liability company,
its General Partner

By _____
Name _____
Title _____

ACKNOWLEDGED BY LENDER:

Ares Capital Corporation,
as Lender

By _____
Name Mitchell Goldstein
Title Authorized Signatory

Exhibit A
to
First Amendment to Lease Agreement

Leased Property

Tract 1:

Parts of the JOHN NEWBY SURVEY, Abstract No. 430, the RACHEL STORY SURVEY, Abstract No. 501, the JAMES TURNER SURVEY, Abstract No. 557, and the RICHARD RAINS SURVEY, Abstract No. 485 situated in Hood County, Texas; embracing a portion of the 395.113 acres tract described in the deed to GHMR Operations, LLC recorded in Document No. 2014-0010834 of the Real Records of Hood County, Texas and all of the 107.922 acres tract described in the deed to GHMR Operations LLC recorded in Document No. 2014-0011196 of the said Real Records and all of the 47.183 acres tract described in the deed to GHMR Operations, LLC recorded in Document No. 2015-0006118 of the said Real Records, and described by metes and bounds as follows:

The basis for bearings is the Texas Coordinate System North Central One NAD 83 (2011). The lengths shown hereon are horizontal ground lengths.

Beginning at a 1/2" iron found for the most northerly northwest corner of said 395.113 acres tract, and for the northeast corner of the 114.3 acres tract described in the deed to Annette Musick recorded in Volume 2365, Page 575 of the said Real Records, for the south line of Colony Road.

Thence northeasterly, along the most northerly line of said 395.113 acres tract, for the south line of said Colony Road, the following:

North 59 degrees 15 minutes 37 seconds East 995.90 feet to a 5/8" capped iron

North 59 degrees 49 minutes 26 seconds East 755.26 feet to a 5/8" capped iron for a northerly corner of said 395.13 acres tract.

Thence South 30 degrees 05 minutes 43 seconds East 502.86 feet to a 5/8" capped iron for a re-entrant corner of said 395.113 acres tract.

Thence North 59 degrees 46 minutes 39 seconds East, along a south line of said 395.113 acres tract, to and along the south line of the 4.04 acres tract described in the deed to Wayland M Higginbottom and Kathy J Higginbottom recorded in Document No. 2013-0009650 of the said Real Records, 533.54 feet to a 2" pipe fence corner post for the southeasterly corner of said 4.04 acres tract, and a re-entrant corner of said 395.113 acres tract.

Thence North 30 degrees 07 minutes 36 seconds West, along the common line of said 395.113 acres tract, and said 4.04 acres tract, 502.43 feet to the northeasterly corner of said 4.04 acres tract, for a northerly corner of said 395.113 acres tract, from which a 3/8" capped iron found marked RPLS 5531 bears South 30 degrees 07 minutes 36 seconds East 2.60 feet.

Thence North 59 degrees 49 minutes 26 seconds East, along the northerly line of said 395.113 acres tract, for the southerly line of said Colony Road, 538.04 feet to a 1/2" found for the northeasterly corner of said 395.113 acres tract, and for the northwesterly corner of the 20 acres tract described in the deed to Jace A Green and Shawna C Green recorded in Volume 2170, Page 628 of the said Real Records.

Thence South 29 degrees 53 minutes 34 seconds East, along the easterly line of said 395.113 acres tract and the westerly line of said 20 acres tract, 2718.60 feet to a 5/8" capped iron for a re-entrant corner of said 395.113 acres tract, and the southwest corner of said 20 acres tract.

Thence Northeasterly, along a northerly line of said 395.113 acres tract, and along the Southerly line of said 20 acres tract, to and along the southerly line of the 82.09 acres tract described in the deed to Anita K Schmid, as Trustee of the Anita K Schmid Revocable Living Trust recorded in Volume 1934, Page 902 of the said Real Records, the following:

North 58 degrees 24 minutes 16 seconds East 856.18 feet;

North 59 degrees 29 minutes 07 seconds East 496.32 feet to a 3" pipe fence corner post for a re-entrant corner of said 395.113 acres tract.

Thence North 31 degrees 50 minutes 56 seconds West, along a westerly line of said 395.113 acres tract, 83.38 feet to a 3/4" iron found for a northwesterly corner of said 395.113 acres tract, and the southwesterly corner of Lot 10 of POST OAK ACRES, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-126 of the Plat Records of Hood County, Texas.

Thence North 59 degrees 01 minutes 09 seconds East, along a northerly line of said 395.113 acres tract, and the southerly line of said Lot 10, a distance of 79.70 feet to a 5/8" capped iron for a northerly corner of said 395.113 acres tract, and a re-entrant corner of said Lot 10.

Thence South 28 degrees 09 minutes 52 seconds East, along an easterly line of said 395.113 acres tract, 93.30 feet to a 5/8" capped iron for a re-entrant corner of said 395.113 acres tract, for a southerly corner of said Lot 10.

Thence North 62 degrees 30 minutes 39 seconds East, along a southerly line of said Lot 10 for the northerly line of said 395.113 acres tract, to and along the southerly line of Lot 12 of said Post Oak acres, 538.42 feet to a 5/" capped iron for the southeasterly corner of said Lot 12, and for a re-entrant corner of said 395.113 acres tract.

Thence northwesterly, along the easterly line of said Lot 12, for a westerly line of said 395.113 acres tract, the following:

North 31 degrees 57 minutes 17 seconds West 417.55 feet to an aluminum capped iron found marked Clark;

North 26 degrees 06 minutes 28 seconds West 370.68 feet to a 3/4" iron found for an easterly line of said Lot 12, in the southerly line of Lot 5 of said Post Oak Acres, and for the northwesterly corner of said 395.113 acres tract.

Thence northeasterly, along the southerly line of said Lot 5, to and along the southerly line of Lot 4 of said Post Oak Acres, for the northerly line of said 395.113 acres tract, the following:

North 59 degrees 38 minutes 19 seconds East 561.96 feet to a 5/8" iron found;

North 20 degrees 24 minutes 01 second East 20.81 feet to a 5/8" capped iron found market RPLS 5236 for the common south corner of said Lot 4 and 5;

North 57 degrees 52 minutes 37 seconds East 233.70 feet to the most northerly northeast corner of said 395.113 acres tract, from which a 3" pipe fence corner post bears north 25 degrees 26 minutes 13 seconds east 0.55 of a foot.

Thence South 30 degrees 48 minutes 22 seconds East, along the easterly line of said 395.113 acres tract, generally along a fence, 3112.95 feet to a 4" pipe fence corner post for the southeasterly corner of said 395.113 acres tract, in the northerly line of said 107.922 acres tract.

Thence North 59 degrees 44 minutes 10 seconds East, along the northwesterly line of the said 107.922 acres tract, generally along a fence, 1108.61 feet to a 4" pipe fence corner post found for the most northerly corner of the said 107.922 acres tract.

Thence South 30 degrees 26 minutes 06 seconds East, along the northeasterly line of the said 107.922 acres tract, generally along a fence, 1731.09 feet to the southeasterly corner of said 107.922 acres tract,

in the northwesterly line of the Cen-Tex Rail Link, LTD., recorded in Volume 1429, Page 152 of the said Real Records, from which a 3" pipe fence corner post bears South 30 degrees 26 minutes 06 seconds East 0.57 of a foot.

Thence Southwesterly, along the southeasterly line of the said 107.922 acres tract, and the northwesterly line of the said Cen-Tex railroad tract, the following:

South 36 degrees 35 minutes 05 seconds West 139.26 feet;
South 34 degrees 29 minutes 00 seconds West 100.00 feet;
South 32 degrees 37 minutes 58 seconds west 100.00 feet;
South 31 degrees 34 minutes 53 seconds West 100.00 feet to a 5/8" capped iron;
South 30 degrees 58 minutes 51 seconds West 1678.31 feet to a 5/8" capped iron;
South 31 degrees 07 minutes 28 seconds West 100.00 feet;
South 31 degrees 38 minutes 31 seconds West 109.26 feet;
South 32 degrees 17 minutes 36 seconds west 32.66 feet to the most southerly corner of the said 107.922 acres tract, and the most easterly southeast corner of said 47.183 acres tract, from which a 5/8" iron found bears south 30 degrees 19 minutes 16 seconds East 4.07 feet.

Thence southwesterly, along the northwesterly line of said Cen-Tex Rail Link. Ltd tract for the southeasterly line of aid 47.183 acres tract, the following:

South 33 degrees 01 minutes 01 second West 100.00 feet;
South 34 degrees 17 minutes 48 seconds West 100.00 feet;
South 34 degrees 40 minutes 46 seconds West 40.39 feet to a 5/8" capped iron at the intersection of the southeasterly line of said Cen-Tex Rail Link, Ltd., tract and the northerly line of Friendship Road, for an easterly corner of said 47.183 acres tract.

Thence northwesterly and southwesterly, along the southeasterly line of said 47.183 acres tract, for the northwesterly line of said Friendship Road, the following:

North 74 degrees 56 minutes 49 seconds West 61.46 feet to a 5/8" capped iron;
South 71 degrees 15 minutes 09 seconds West 102.72 feet to a 5/8" capped iron;
South 50 degrees 05 minutes 30 seconds West 57.63 feet to a 5/8" capped iron;
South 31 degrees 48 minutes 08 seconds West 322.03 feet to a 3/8" iron found for the most southerly corner of said 47.183 acres tract.

Thence North 30 degrees 38 minutes 50 seconds west, along the westerly line of said 47.183 acres tract, 3004.81 feet to a 1/2" iron found for the northwesterly corner of aid 47.183 acres tract, and the northeasterly corner of the 185.661 acres tract to Eph I Cummins recorded in Volume 1336, Page 303 of the said Real Records, and described in Volume 127, Page 276 of the Deed Records of Hood County, Texas and in the south line of said 395.113 acres tract.

Thence South 48 degrees 50 minutes 43 seconds West, along the southerly line of said 395.113 acres tract, and along the northerly line of said 185.661 acres tract, 984.50 feet to a 3/8" iron found for a southwesterly corner of said 395.113 acres tract, in the easterly line of the 103.5151 acres tract described in the deed to Daniel C Fauber and Carolyn M Fauber recorded in Document No. 2011-0004488 of the said Real Records, and for the northwest corner of said Richard Rains Survey.

Thence North 30 degrees 18 minutes 59 seconds West, along a westerly line of said 395.113 acres tract, and the easterly line of said 103.5151 acres tract, 527.26 feet to a 3" pipe fence corner post for a re-entrant corner of said 395.113 acres tract, and for the northeasterly corner of said 103.5151 acres tract, from which a 3/8" iron found bears north 08 degrees 32 minutes 29 seconds West 1.15 feet.

Thence South 59 degrees 40 minutes 23 seconds West, along a southerly line of said 395.113 acres tract, and along the northerly line of said 103.5151 acres tract, 1725.44 feet to the most southerly southwest corner of said 395.113 acres tract, and the most southerly corner of the 1.042 acres tract

described in the deed to Bascom M Higginbottom and Betty Higginbottom recorded in Document No. 2015-0007164 of the said Real Records, from which a 3" pipe fence corner post bears north 32 degrees 27 minutes 05 seconds west 0.61 of a foot.

Thence North 30 degrees 52 minutes 09 seconds West, along the easterly line of said 1.042 acres tract, 1812.21 feet to a 5/8" capped iron for the northeasterly corner of said 1.042 acre tract.

Thence South 60 degrees 04 minutes 32 seconds West, along the northwesterly line of said 1.042 acres tract, 50.10 feet to a 5/8" capped iron for the northwesterly corner of said 1.042 acres tract, and a re-entrant corner of said 395.113 acres tract.

Thence South 60 degrees 05 minutes 26 second West, along a southeasterly line of said 395.113 acres tract, 962.40 feet to a 5/8" capped iron.

Thence South 61 degrees 20 minutes 53 seconds West, continuing along a southeasterly line of said 395.113 acres tract 834.78 feet to a 1/2" iron found for the most westerly southwest corner of said 395.113 acres tract, and for the southeasterly corner of said 114.3 acres tract.

Thence North 29 degrees 23 minutes 38 seconds West, along the most northerly west line of aid 395.113 acres tract, and the east line of said 114.3 acres tract, 2678.24 feet to the place of beginning and containing 549.117 acres, more or less.

Tract 2:

Parts of the J S TURNER SURVEY, Abstract No. 557, the L E EARNEST SURVEY, Abstract No 883, the E M CAULDER SURVEY, Abstract No 863, the H D CAULDER SURVEY, Abstract No 862 and the McKINNEY and WILLIAMS SURVEY, Abstract No 410 situated in Hood County, Texas and embracing all of the 395.772 acres tract described in the deed to GHMR Operations, LLC recorded in Document No 2014-0011255 of the Real Records of Hood County, Texas and described by metes and bounds as follows:

Beginning at a 1/2" iron found for the most northerly northwest corner of said 395.772 acres tract, and for the northeast corner of the 3.515 acres tract described in the deed to William E Miller and Etta Miller recorded in Volume 1301, Page 498 of the Real Records of Hood County, Texas and in the south line of Colony Road as fenced.

Thence North 60 degrees 38 minutes 50 seconds East, along the north line of said 395.772 acres tract, and the south line of Colony Road as fenced, 745.43 feet to a 1/2" iron found for the most northerly northeast corner of said 395.772 acres tract, and for the northwest corner of the 10.585 acres tract described in the deed to Larry A Wilson and Terri K Wilson recorded in Volume 1301, Page 501 of the said Real Records.

Thence South 30 degrees 53 minutes 29 seconds East, along an easterly line of said 395.772 acres tract, and the west line of aid 10.585 acres tract, 858.44 feet to a 1/2" iron found in concrete for a re-entrant corner of said 395.772 acres tract, and for the southwest corner of said 10.585 acres tract.

Thence North 58 degrees 44 minutes 10 seconds East, along a northwesterly line of said 395.772 acres tract, and the south line of said 10.585 acres tract, 538.15 feet to a 1/2" iron found for a northeasterly corner of said 395.772 acres tract, and for the southeast corner of said 10.585 acres tract, and in the west line of the 24.99 acres tract described in the deed to Helen Louise Murray recorded in Volume 1648, Page 134 of the said Real Records.

Thence South 30 degrees 57 minutes 20 seconds East, along an easterly line of said 395.772 acres tract and along the west line of said 24.99 acres tract, 176.08 feet to a 1/2" iron found for the southwest corner of said 24.99 acres tract, and for the northwest corner of the 13.574 acres tract described in the deed to Chad Gehrke recorded in Volume 1706, page 902 of the said Real Records.

Exhibit A to First Amendment to Lease Agreement - GHMR Lease

Thence South 31 degrees 16 minutes 44 seconds East, continuing along an easterly line of said 395.772 acres tract, and along the west line of said 13.574 acres tract, 402.42 feet to a 5/8" iron found for the southwest corner of said 13.574 acres tract, and for the northwest corner of the 38 acres tract described in the deed to Dawnell Shelley recorded in Volume 2041, page 97 of the said Real Records.

Thence South 31 degrees 07 minutes 08 seconds East, continuing along an easterly line of said 395.772 acres tract, along the west line of said 38 acres tract, 663.86 feet to a 5/8" iron found for the southwest corner of said 38 acres tract, and for the northwest corner of the 30.014 acres tract described in the deed to Stephen Levi Jackson and Kisten Jo Jackson recorded in Document No. 2016-0006469 of the said Real Records.

Thence South 30 degrees 52 minutes 41 seconds East, continuing along an easterly line of said 395.772 acres tract, along the west line of said 30.014 acres tract, 493.02 feet to a 1" iron found in concrete for the southwest corner of said 30.014 acres tract, and for a re-entrant corner of 395.772 acres tract.

Thence North 59 degrees 03 minutes 53 seconds East, along a northerly line of said 395.772 acres tract, and along the south line of said 30.014 acres tract, 2639.21 feet to a 1/2" iron found for a northeasterly corner of said 395.772 acres tract, in a west line of Colony Road as fenced.

Thence South 33 degrees 40 minutes 57 seconds East, along an easterly line of said 395.772 acres tract, and a west line of Colony Road as fenced, 438.47 feet to a 60d nail found for a re-entrant corner of said 395.772 acres tract, and in a south line of Colony Road as fenced.

Thence North 59 degrees 40 minutes 44 seconds East, along a northerly line of said 395.772 acres tract, for a south line of said Colony Road as fenced, 3027.14 feet to a 5/8" capped iron for the most easterly corner of said 395.772 acres tract, in the northwesterly right-of-way of the Cen-Tex Rail Line.

Thence Southwesterly, along the northwesterly right-of-way of said Cen-Tex Rail Line for the southeasterly line of said 395.772 acres tract, the following:

South 43 degrees 43 minutes 04 seconds West 100.00 feet;
South 39 degrees 40 minutes 43 seconds West 100.00 feet;
South 36 degrees 01 minute 42 seconds West 100.00 feet;
South 32 degrees 59 minutes 08 seconds West 93.80 feet to a 5/8" capped iron;
South 33 degrees 07 minutes 40 seconds West 1056.26 feet to a 5/8" capped iron;
South 33 degrees 05 minutes 27 seconds West 100.03 feet;
South 32 degrees 47 minutes 26 seconds West 100.00 feet;
South 31 degrees 41 minutes 18 seconds West 100.00 feet;
South 29 degrees 37 minutes 11 seconds West 100.00 feet;
South 24 degrees 31 minutes 24 seconds West 100.00 feet;
South 22 degrees 18 minutes 36 seconds West 100.00 feet;
South 17 degrees 53 minutes 52 seconds West 100.00 feet;
South 13 degrees 50 minutes 45 seconds West 100.00 feet;
South 10 degrees 35 minutes 18 seconds West 100.00 feet;
South 09 degrees 26 minutes 43 seconds West 41.94 feet to a 5/8" capped iron;
South 09 degrees 03 minutes 16 seconds West 496.66 feet to a 5/8" capped iron;
South 09 degrees 11 minutes 14 seconds West 100.00 feet;
South 10 degrees 36 minutes 39 seconds West 100.00 feet;
South 14 degrees 33 minutes 01 second West 100.00 feet;
South 20 degrees 59 minutes 35 seconds West 100.00 feet;
South 26 degrees 55 minutes 38 seconds West 100.00 feet;
South 34 degrees 51 minutes 50 seconds West 100.00 feet;
South 40 degrees 52 minutes 00 seconds West 100.00 feet;
South 47 degrees 49 minutes 47 seconds West 100.00 feet;
South 53 degrees 09 minutes 07 seconds West 77.08 feet to a 5/8" capped iron;

South 41 degrees 47 minutes 32 seconds West 103.22 feet to a 5/8" capped iron;
South 56 degrees 35 minutes 46 seconds West 373.25 feet to a 5/8" capped iron;
South 56 degrees 56 minutes 22 seconds West 100.00 feet;
South 58 degrees 38 minutes 50 seconds West 100.00 feet;
South 60 degrees 55 minutes 29 seconds West 100.00 feet;
South 63 degrees 45 minutes 02 seconds West 100.00 feet;
South 67 degrees 30 minutes 12 seconds West 100.00 feet;
South 71 degrees 16 minutes 11 seconds West 100.00 feet;
South 72 degrees 29 minutes 53 seconds West 100.00 feet;
South 75 degrees 39 minutes 02 seconds West 100.00 feet;
South 75 degrees 44 minutes 45 seconds West 42.02 feet to a 5/8" capped iron;
South 76 degrees 23 minutes 11 seconds West 824.79 feet to a 5/8" capped iron;
South 76 degrees 23 minutes 50 seconds West 97.62 feet;
South 76 degrees 17 minutes 02 seconds West 100.00 feet;
South 75 degrees 45 minutes 33 seconds West 100.00 feet;
South 76 degrees 00 minutes 14 seconds West 100.00 feet;
South 74 degrees 00 minutes 21 seconds West 100.00 feet;
South 71 degrees 39 minutes 49 seconds West 100.00 feet;
South 69 degrees 04 minutes 31 seconds West 100.00 feet;
South 68 degrees 18 minutes 58 seconds West 54.33 feet to a 5/8" capped iron;
South 80 degrees 20 minutes 31 seconds West 95.03 feet to a 5/8" capped iron;
South 63 degrees 11 minutes 00 seconds West 100.00 feet;
South 60 degrees 47 minutes 50 seconds West 100.00 feet;
South 58 degrees 32 minutes 01 second West 100.00 feet;
South 56 degrees 23 minutes 06 seconds West 100.00 feet;
South 54 degrees 16 minutes 31 seconds West 100.00 feet;
South 53 degrees 40 minutes 54 seconds West 43.04 feet to a 5/8" capped iron;
South 52 degrees 58 minutes 24 seconds West 539.86 feet to a 5/8" capped iron for the most southerly southwest corner of said 395.772 acres tract, and for the southeast corner of the 100 acres in the deed to W Fleming Jordan recorded in Volume 113, Page 459, of the said Deed Records.

Thence northwesterly, to and generally along a fence for the westerly line of said 395.772 acres tract, and the east line of said 100 acres tract, the following:

North 32 degrees 08 minutes 29 seconds West 715.86 feet;
North 28 degrees 28 minutes 33 seconds West 726.36 feet to a cross-tie fence post;
North 31 degrees 41 minutes 02 seconds West 493.13 feet to a cross-tie fence corner post for a re-entrant corner of said 395.772 acres tract, and for the northeast corner of said 100 acres tract.

Thence southwesterly, generally along a fence for a southerly line of said 395.772 acres tract, and for the north line of said 100 acres tract, the following:

South 59 degrees 35 minutes 45 seconds West 491.85 feet;
South 59 degrees 05 minutes 13 seconds West 690.62 feet;
South 59 degrees 29 minutes 51 seconds West 320.63 feet to a cross-tie fence corner post for the most westerly southwest corner of said 395.772 acres tract, in the east line of the 50 acres tract described in the deed to W Fleming Jordan recoded in Volume 113, Page 459 of the said Deed Records.

Thence northwesterly, generally along a fence for a westerly line of said 395.772 acres tract, and the east line of said 50 acres tract, the following:

North 30 degrees 59 minutes 00 seconds West 639.96 feet;
North 30 degrees 44 minutes 45 seconds West 503.55 feet;
North 30 degrees 45 minutes 27 seconds West 598.84 feet to a 1/2" iron found in concrete for the most westerly northwest corner of said 395.772 acres tract, and for the southwest corner of the 29.165 acres

tract described in the deed to William E Miller and Etta L Miller recorded in Volume 1227, Page 631 of the said Real Records.

Thence North 58 degrees 41 minutes 57 seconds East, along a northerly line of said 395.772 acres tract, and along the south line of said 29.165 acres tract, to and along the south line of said 3.515 acres tract, 1575.23 feet to a re-entrant corner of said 395.772 acres tract, from which a 3" pipe fence corner post bears north 48 degrees 03 minutes 36 seconds west 0.84 of a foot.

Thence North 28 degrees 07 minutes 47 seconds West, along a westerly line of said 395.772 acres tract, and along the east line of said 3.515 acres tract, 885.37 feet to the place of beginning and containing 395.772 acres of which 253.242 acres lies within said Turner Survey, and 54.819 acres lies within said L E Earnest Survey and 65.472 acres lies within said H D Caulder Survey and 17.495 acres lies within said E M Caulder Survey and 4.744 acres lies within said McKinney and Williams Survey.

Exhibit B
to
First Amendment to Lease Agreement

Lease Agreement

[See attached.]

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated this 1st day of December 2014, is made and entered into by and between the following parties:

GHMR Operations, LLC, a Texas Limited Liability Company having a mailing address of 4413 Carey Street, Fort Worth, Texas 76119 (herein called the "Lessor"), and

Lonestar Prospects, Ltd., a Texas limited partnership having a mailing address of 3549 Monroe Highway, Granbury, Texas 76048 (herein called the "Lessee").

WITNESSETH:

THE LEASE

For and in consideration of the mutual promises and covenants set forth herein, the sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. THE LEASE

Lessor hereby leases, demises and grants to Lessee and Lessee hereby leases and takes from Lessor, for the sole and exclusive purpose of prospecting for, exploring for, producing, developing, mining, extracting, removing, storing, transporting, transloading, and marketing the Materials (herein defined), the surface and subsurface estate of the approximately 898 acres as more particularly described in Exhibits "A-1," "A-2," and "A-3" (collectively "Exhibit A") hereto and made a part hereof (the "Leased Premises") including thereon all minerals (except oil and gas and other hydrocarbon products) and all construction materials including but not limited to silica sand and/or overburden, (hereinafter collectively called "Materials") in, on and under said real property, all as more particularly described in Exhibit "A", attached hereto.

In conjunction with the lease of the Leased Premises granted herein, Lessor hereby grants to Lessee the exclusive right to prospect for, explore for, produce, sample, drill and test for, develop, mine, quarry, extract, process, sell, remove and market Materials during the term of this Lease Agreement, and the non-exclusive right to the use of any surface and subsurface water on the Leased Premises.

Notwithstanding the foregoing, there is hereby excepted and reserved to Lessor, Lessor's successors and assigns, and Lessor's predecessors in title all oil, gas and other minerals except the Materials, and there is further excepted and reserved to Lessor and Lessor's predecessors in title (to the extent they have any rights to use the surface) the full use of the Leased Premises and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of the Leased Premises by Lessor (and Lessor's predecessors in title to the extent they have any rights to use the surface) and its oil, gas and mineral lessees, for purposes of exploring for and producing oil and gas and the minerals which are not covered by the terms of this Lease Agreement and for its surface lessees, for all purposes (including, without limitation, any and all agricultural purposes) not inconsistent with the rights granted to Lessee in this Lease Agreement (such permitted purposes shall include, but not limited to, any grazing leases or hunting leases by

and between Lessor and third parties, and the right to sell and use water from wells on the Leased Premises). Lessor acknowledges and affirms that any hunting activity shall be limited to portions of the property being used for agricultural purposes. All of the rights in and to the Leased Premises retained by Lessor and all of the rights in and to the Leased Premises granted to Lessee shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. LEASE TERM

Subject to termination as hereinafter provided, the primary term of this Lease Agreement shall be for five (5) years, commencing on the first day after this Lease Agreement is signed by all parties and expiring at 11:59 p.m. on the day and date five (5) years after the commencement date (the "Primary Term"), and provided that this Lease Agreement has not terminated prior to the expiration of the Primary Term and subject to termination as hereinafter provided, the term of this Lease Agreement shall continue following the expiration of the Primary Term for so long thereafter as Materials are sold and removed from the Leased Premises by Lessee and the Minimum Royalty (hereafter defined) is paid each year by Lessee to Lessor.

3. ROYALTIES

A. **Production Royalty.** As a production royalty (hereinafter sometimes called "Royalty"), Lessee shall to pay to Lessor in the manner prescribed in Section 3.F of this Lease Agreement a sum equal to Four and No/100 Dollars (\$4.00) per ton of Materials both produced from the Leased Premises and sold or otherwise removed from the Leased Premises. (For the treatment of Waste Material (hereafter defined), see Section 7(g).) For the avoidance of confusion, the Lessor and Lessee acknowledge and agree that any Materials, including but limited to sand, purchased by Lessee from a third party supplier and subsequently delivered to, processed at, and/or sold from the Premises shall not be included in the definition of Materials for purposes of calculating the Royalty. The Royalty shall be paid monthly.

B. **Minimum Royalty.** In no event shall the Royalty due under this Lease Agreement for any calendar year beginning with calendar year 2014 be less than an amount equal to the sum of (i) the amount of all principal and interest paid by Lessor on all financing incurred by Lessor to purchase the Leased Premises, (ii) the amount of the ad valorem taxes paid by Lessor, and (iii) an amount equal to twenty percent (20%) of the amounts of (i) and (ii) of this Section 3.B (the "Minimum Royalty"). Notwithstanding anything in this Lease Agreement to the contrary, Lessor and Lessee acknowledge and agree that during the Primary Term of this Lease Agreement (not including any extension of the Primary Term), so long as the Minimum Royalty is paid to Lessor as provided herein, Lessee shall have no obligation to produce, explore, market, and/or develop the Materials or otherwise develop the Leased Premises during the Primary Term, and this Lease Agreement shall remain in full force and effect. The Minimum Royalty shall be paid on a monthly basis by Lessee as invoiced by Lessor with respect to items (i) and (iii) herein, and annually with respect to item (ii) and (iii) herein. The initial monthly payment of the Minimum Royalty with respect to items (i), (ii), and (iii) (principal, interest and taxes plus 20% thereon) will be \$38,604.06.

If the Royalties on Materials produced from, removed and sold from the Leased Premises on a monthly basis during any calendar year beginning with the calendar year 2014 do not equal or exceed the Minimum Royalty on a monthly basis, then Lessee shall pay to Lessor the difference between the total aggregate amount of Royalty for such calendar year and the Minimum Royalty (such difference being referred to herein as the "Shortfall") on a monthly basis as invoiced by Lessor (the "Shortfall Payment").

C. **Payments and Reports.** All Royalties are to be received by Lessor, at Lessor's office in Fort Worth, Texas, or at such other place as Lessor may specify in a written notice given by Lessor to Lessee, on or before the 45th day following the last day of each calendar month for the Materials produced during the immediately preceding calendar month. For the purposes of the prior sentence only, "produced" shall be defined to mean the date on which the Materials on which Royalty is owed were physically removed and transported from the Leased Premises. The Royalty payment shall be accompanied by a report of Lessee completed in the following form and manner: The report shall be based on the type and exact amount of Materials removed and transported from the Leased Premises, the type and exact amount of Material sold during the preceding calendar month, the gross amount received, and if the sale was not a bona fide sale at arms length to a non-affiliate, the value of the sale as calculated above. The report should also name the person or entity to whom a sale was made. If any Materials produced from the Leased Premises have been used by Lessee during the preceding calendar month, then the report must also indicate the type and exact amount of each Material so used and the method and figures used by Lessee to calculate the value of each Material so used. Even if Royalty payments are not due, a report of Lessee, completed in the same form and manner as described in this paragraph, shall be filed with Lessor on or before the 45th day following the last day of each calendar month in which any Material is used by Lessee or removed and transported from the Leased Premises. Each such report submitted by Lessee to Lessor shall be certified by the general partner of Lessee as being true and correct.

D. **Records.** Lessee shall maintain appropriate books and records with respect to the production, transportation, assaying, analyzing, processing, recovery, use, sale, and marketing of the Materials and all of Lessee's operations on the Leased Premises. All such books and records shall be retained and preserved for at least four (4) years after the end of the calendar year to which they relate. Lessor, at Lessor's own cost and expense (except as otherwise provided herein), shall have the right, during normal office hours, to examine Lessee's pertinent books, and records, reasonably necessary to verify the quantities of Materials produced from the Leased Premises. Copies of such documents shall be furnished to Lessor upon request and at Lessee's expense. In the event Lessor is not satisfied with Lessor's examination of such books and records or with any reports or statements submitted by Lessee, Lessor shall have the right to have its auditors make a special audit of all books and records of Lessee, wherever located, pertaining to the quantities of Materials produced from the Leased Premises. The cost of the audit shall be Lessor's sole responsibility. The results of any audit shall be given to Lessee for its review. Lessee shall have the right to retain, at its sole expense, an auditor to perform a review of the results of Lessor's audit. Should there be material difference of opinion in excess of five percent (5%) between the auditors as to the results of the audit performed by Lessor's auditor, the Lessor's auditor and Lessee's auditor will select a third auditor to review the results of the audit in which case the fees associated with the engagement of the third auditor shall be split evenly between Lessor and Lessee. Lessee shall promptly pay to Lessor any deficiency or Lessor shall

promptly refund to Lessee any overpayment, as the case may be, which is established by such audit. Any alleged errors in any such reports or statements shall be called to the attention of either Lessor or Lessee by notice in writing within ninety (90) days of delivery of each such report or statement to Lessor; otherwise, the same shall be conclusive as to the royalties owed and the amount of Materials produced from the Leased Premises during the period covered by such report or statement.

E. **Penalty and Interest.** Royalty payments which are not made when due and reports which are not delivered when due shall accrue penalty and/or interest as follows: If Lessee fails to pay a Royalty payment when due and such failure continues for more than fifteen (15) days after the Royalty payment was due, then Lessee shall pay to Lessor a penalty in the amount of one percent (1.0%) of the Royalty due or \$100.00, whichever is greater. If Lessee fails to pay a Royalty payment when due and such failure continues for more than thirty (30) days after the Royalty payment was due, then Lessee shall pay to Lessor an additional penalty in the amount of one percent (1.0%) of the Royalty due or \$100.00, whichever is greater. In addition to the penalty or penalties provided for above, Royalties which are not paid when due shall accrue interest at a rate per annum equal to the lesser of twelve percent (12.0%) per annum or the highest lawful rate of interest per annum that Lessor is permitted by applicable law to charge Lessee; such interest will begin to accrue on the day following the date on which such Royalty payment was due and shall continue until the Royalty payment is paid in full. Documents and reports which are required to be delivered by Lessee to Lessor pursuant to Section 3.F, Section 4 or Section 16.G of this Lease Agreement and which are not delivered to Lessor within twenty (20) days after the date due shall incur a penalty of \$100.00 for each such late delivery. Lessee shall bear all responsibility for paying all Royalties and causing such Royalties to be paid in the manner prescribed in this Lease Agreement. Payment of the delinquency penalties set forth above shall in no way operate to waive the occurrence of any Event of Default or act to postpone the date on which any Royalties were originally due or any documents or reports were originally required to be delivered.

4. TAXES

Lessee agrees to pay prior to delinquency all severance taxes, if any, due from the sale and removal of Materials from the Leased Premises and shall pay prior to delinquency any ad valorem taxes assessed against Lessee's property. In addition, Lessee shall pay prior to delinquency all ad valorem taxes assessed against the Leased Premises during the term of this Lease Agreement (to the extent not included in the Minimum Royalty), including, without limitation, any roll-back taxes or other taxes assessed as a result of Lessee's operations on the Leased Premises or as a result of any change in use of the Leased Premises during the term of this Lease Agreement. For the avoidance of confusion, Lessee and Lessor acknowledge and agree that the taxes payable by Lessee pursuant to this Section 4. shall not in any event include taxes, including, but not limited, to ad valorem taxes, assessed against any other holder of a leasehold interest in the Leased Premises, including, but not limited to any lessee of the Leased Premises for purposes of exploring or developing oil, gas, or other minerals that do not constitute Materials. Lessee shall furnish Lessor with copies of paid tax receipts or other proof of payment of all such taxes, such copies or other proof to be delivered to Lessor prior to the date on which the taxes in question become delinquent if not paid.

Lessee shall furnish on an annual basis to Lessor a copy of all reports which Lessee furnishes to the State of Texas in connection with its payment of severance taxes on Materials sold and removed from the Leased Premises. Such copy shall be delivered by Lessee to Lessor by January 31 of each year for the immediately preceding calendar year.

5. OPERATIONS

Lessee shall, in its reasonable discretion, determine at what times and in what manner all of its operations on the Leased Premises shall be conducted and the amount of Materials that are merchantable, i.e., that amount of Materials which can be economically mined and removed from the Leased Premises, as determined by Lessee in Lessee's reasonable discretion.

During the term hereof Lessee shall have the right:

(a) To install, construct, operate, maintain, dismantle and remove all of its plants, enhancement facilities and/or consuming facilities (including machinery, equipment, improvements and other facilities, including without limitation, roads, rail lines, pipelines, power lines, telephone lines, water courses, dams, ponds and stockpile areas on the Leased Premises).

(b) To the free use of water from wells drilled by Lessee and currently existing on the Leased Premises in such quantities as Lessee deems necessary or desirable for the conduct of its operations; Lessor shall have use of all water developed by Lessee and all other water available on the Leased Premises provided such use does not interfere with Lessee's operations. Lessee shall have the right, subject only to servitudes and rights of way existing as of the commencement date of the Primary Term, to drill water wells and lay, use and maintain pipelines and water lines on the Leased Premises. All such water wells, pipelines and water lines and related equipment (including well pumps) shall become the property of Lessor (at no expense to Lessor) at the expiration or earlier termination of the term of this Lease Agreement and shall be surrendered by Lessee to Lessor and shall remain on the Leased Premises following the expiration or earlier termination of this Lease Agreement.

(c) Without any payment to Lessor (unless the same is sold), to strip, remove, and deposit (abandon) overburden, fill sand, flume sand, and other Materials from the Leased Premises onto the Leased Premises, and otherwise to use and occupy the Leased Premises including the destruction of the surface by surface mining methods, all as reasonably required in connection with mining, quarrying, extracting, processing, storage, sale and removal of Materials in, on, under or from the Leased Premises.

(d) To use Materials (mined from the Leased Premises) and/or other materials (mined or removed from other properties in the regional vicinity of the Leased Premises) (hereinafter called "Non-Native Materials") for the purpose of constructing roads, dams, embankments, or similar improvements and/or for backfilling purposes on the Leased Premises without any obligation to make any Royalty or other payments to Lessor; provided that all such Non-Native Materials and other materials shall be free from any Hazardous Materials (hereafter defined).

Lessor hereby agrees to cooperate with Lessee to apply for and obtain zoning and other governmental classifications, permits, approvals, licenses and rights reasonably required in connection with the lawful conduct of Lessee's business and operations on the Leased Premises;

Lease Agreement

provided, however, that Lessor shall not be obligated to incur any expense in connection therewith.

6. CERTAIN DUTIES AND OBLIGATIONS OF LESSEE

A. Plan of Operations. Should a plan of operation be required by a state or federal agency, Lessee shall furnish a copy of the plan of operation required by such state or federal agency to Lessor.

B. Exploration. Lessee will take all steps a reasonably prudent mining operator would necessarily take to explore the Leased Premises for the Materials.

C. Duty to Make Marketable and Process. Lessee will take all steps necessary that a reasonable prudent mining operator would take to put the Materials into a marketable condition. Acting as a reasonable prudent mining operator includes taking steps for the reasonable development of the Leased Premises by considering such factors as the market and economic conditions of the industry and the ability to secure profits that will commonly benefit both the Lessor and the Lessee. Lessee agrees to act as a reasonable and prudent mining operator in developing, operating, and protecting Leased Premises with due regard for the interests of both the Lessor and Lessee. No cost incurred is deductible in the computation of the Royalty due under this Lease Agreement except where expressly allowed in this Lease Agreement. The Royalties paid or to be paid hereunder shall not relieve Lessee from any of the obligations herein expressed. Lessee will diligently market the Materials that are produced, processed and made marketable.

D. Compliance with Laws. Lessee shall comply with all applicable statutes, codes, ordinances, orders, rules, regulations, and other legal requirements of any governmental entity, now or hereafter adopted, including all laws pertaining to the environment, pollution and health and safety (hereinafter collectively referred to as "Laws") regarding the operation of Lessee's business and the use, condition and occupancy of the Leased Premises and the conduct of Lessee's operations on the Leased Premises. Lessee, within ten (10) days after receipt, shall provide Lessor with copies of any written notices and a written summary regarding any unwritten notices Lessee receives regarding a violation or alleged or potential violation of any Laws.

E. Antiquities Code. In the event that any foundation, site, item, or the feature of archaeological, scientific, or historic interest is encountered during the activities authorized by this Lease Agreement, Lessee will immediately cease such activities and will immediately notify Lessor and the Texas Antiquities Committee so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. In this regard, Lessee is expressly placed on notice of the National Historical Preservation Act of 1966, (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Natural Resources Code.

F. Qualification of Exploration, Development and Marketability Requirements. Lessor and Lessee acknowledge and agree that certain provisions of this Lease Agreement, including this Section 6. and Section 7., set out certain obligations of Lessee regarding exploration, marketability, and development. Lessor and Lessee desire to clarify Lessee's

obligations with respect to any such obligations. The terms of this Section 6. E. shall control over any other conflicting terms of this Lease Agreement. Lessor and Lessee acknowledge and agree that Lessee will take all steps necessary that a reasonable prudent mining operator operating a comparable property with similar annual gross revenues of Lessee would take to put the Materials into a marketable condition and that any analysis of the obligations of Lessee regarding exploration, marketability and development shall take in to account such factors as the market and economic conditions of the industry and the ability to secure profits that will commonly benefit both the Lessor and the Lessee. Lessor and Lessee further acknowledge and agree that Lessee's exploration, marketing and development obligations shall in no event be interpreted to require Lessee to engage in any activity that may be characterized as speculative or bear a high degree of risk. Lessor and Lessee hereby reconfirm that portion of Section 3. E. of this Lease Agreement which states that during the Primary Term of this Lease Agreement (not including any extension of the Primary Term), so long at the Minimum Royalty is paid to Lessor as provided herein, Lessee shall have no obligation to explore, market, produce and/or develop the Materials or otherwise develop the Leased Premises during the Primary Term, and this Lease Agreement shall remain in full force and effect.

7. DEVELOPMENT

All development shall be done in such a manner as to reasonably prevent the pollution of the environment, including water, soil, and air. Lessee will reasonably and diligently develop the Leased Premises into a viable mine and will reasonably mine the Materials in such a manner as is consistent with generally accepted mining practice. Neither rentals nor Royalties paid or to be paid hereunder shall relieve Lessee from any of the obligations herein expressed. Specific examples of compliance with the above include, but are not limited to:

- (a) Lessee agrees to slope the sides of all surface pits, excavations and subsidence areas in a manner consistent with good mining practices. Such sloping is to become a normal part of the operation;
- (b) Whenever practicable, all surface pits, excavations and subsidence areas will not be allowed to become a hazard to persons or livestock;
- (c) Lessee agrees to mine the Materials in such a manner as to leave as much level surface as is reasonable and consistent with prevailing good mining practices;
- (d) Lessee will carry on all operations on the Leased Premises in a workmanlike manner;
- (e) Lessee will maintain adequate gates and cattle guards where Lessee crosses existing fences with Lessee's operations;
- (f) Lessee will dump the waste material taken from the Leased Premises by Lessee's operations hereunder into pits or excavations made by the removal of Materials, leaving as few mounds or waste piles on the Leased Premises as reasonably possible; and

(g) As governed by the duties and standards set out in Section 6.C of this Lease, all Materials produced by Lessee from the Leased Premises that cannot be so marketed (herein called "Waste Materials") will be used to fill the pits and excavations on the Leased Premises and no Royalty shall be due thereon at that time. No other use of these Waste Materials or any Materials is allowed unless Lessee obtains Lessor's prior written consent to such other use. However, should another use of the Materials be permitted, Royalty shall be due for these used Materials in accordance with Sections 3 and 6.C of this Lease Agreement and, should another use of the Waste Materials be permitted, the Waste Material royalty exception of this subsection shall not apply and Royalty shall be due for these used Waste Materials in accordance with Sections 3 and 6.C of this Lease Agreement. Should changing technology or market conditions render any component of former Waste Materials profitably marketable, then Lessee will (1) process, make marketable and market those former Waste Materials as set out in Section 6.C of this Lease Agreement and (2) pay Royalty thereon in accordance with Sections 3 and 6.C of this Lease Agreement. Lessor reserves the title to all minerals contained in these Waste Materials both during the term of this Lease Agreement, and upon the expiration, surrender, or termination of this Lease Agreement.

Nothing in this section shall be construed to give Lessee the right to sell or otherwise dispose of minerals or substances other than Materials.

8. INDEMNIFICATION AND INSURANCE OBLIGATIONS

A. Indemnification. Lessee hereby releases and discharges Lessor, its officers, employees, partners, agents, contractors, subcontractors, lessees, licensees, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the negligent activities of Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests, and/or invitees arising out of, incidental to, or resulting from, the negligent operations of or for Lessee on the Leased Premises hereunder.

Lessee further agrees to indemnify, hold harmless and defend Lessor from and against any fines or penalties that may be assessed as a result of Lessee's operations on the Leased Premises.

Lessor hereby releases and discharges Lessee, its officers, employees, partners, agents, contractors, subcontractors, lessees, licensees, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the negligent activities of Lessor, its officers, partners, employees, agents, contractors, subcontractors, guests, and/or invitees arising out of, incidental to, or resulting from, the negligent operations of or for Lessor on the Leased Premises hereunder.

B. Insurance. Lessee agrees, at its own cost and expense, to carry comprehensive general liability insurance (with minimum limits of FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00), combined single limit) for bodily injury, death and property damage arising out

of Lessee's operation on the Leased Premises. Any company underwriting any of the insurance required to be maintained by Lessee shall have, according to the A. M. Best Insurance Guide, a Best's rating of not less than A- and a Financial Size Category of not less than VIII. All such insurance policies shall name Lessor as an "additional insured" and shall be primary with Lessor's policy being secondary and non-contributory. All such policies of insurance shall contain endorsements that the insurer(s) shall give Lessor and its designees at least thirty (30) days advance written notice of any change, cancellation, termination or lapse of insurance. Lessee shall provide Lessor with a certificate of insurance and all required endorsements evidencing Lessee's insurance prior to the earlier to occur of the commencement date of this Lease Agreement or the date Lessee is provided with possession of the Leased Premises for any reason, and with respect to renewals of Lessee's insurance, at least ten (10) days prior to the expiration of the insurance coverage. The limits of Lessee's insurance shall not limit Lessee's liability under this Lease Agreement.

9. USE OF THE LEASED PREMISES

A. Title Warranty. Lessor represents and warrants that Lessor is the owner of fee simple absolute title to the Leased Premises, has good and indefeasible title to the Leased Premises and to all Materials in, on and under said Leased Premises. Furthermore, Lessor covenants that Lessor has the unrestricted right to enter into and fully perform this Lease Agreement, subject to the pre-existing rights of holders of servitudes, rights of way, easements, restrictions and mineral interests, that are recorded or which are set forth in Exhibit B, attached hereto. Exhibit B, together with recorded documents of the character referenced in this paragraph, comprise all the pre-existing rights of holders of servitudes, rights of way, easements, restrictions and mineral interests to the present knowledge of Lessor, its officers, partners, agents, servants, and employees. Should there be other recorded documents or unrecorded documents of the kind and character referenced in this paragraph that exist and are presented for enforcement during the Lease Term or any part of thereof which result in the interference of Lessee's rights under this Lease Agreement, Lessee, at its sole option, shall have the right, as its exclusive remedy, to cancel without penalty the remainder of the Lease Agreement.

B. Undisturbed Enjoyment. Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests and/or invitees shall have the undisturbed enjoyment of its rights in and to the Leased Premises provided for in this Lease Agreement. Furthermore, Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests and/or invitees shall have the unrestricted right of ingress and egress to and from the Leased Premises for Lessee, its officers, partners, employees, agents, contractors, subcontractors, guests and/or invitees subject to the rights of all owners and holders of legally recorded servitudes, rights of way, easements, restrictions and mineral interests, or as specifically set forth in Exhibit B, attached hereto and existing as of the commencement date of the Primary Term that may encumber or otherwise affect all or any part of the Leased Premises.

C. Lessor's Use of Leased Premises. Lessor shall have the right to enter into oil and gas leases with respect to all or any part of the Leased Premises subject to the rights of Lessee to fully conduct its operations on the Leased Premises without interference from any lessee of Lessor.

D. Surface Use Limitations. Lessee shall not drill or mine, erect buildings or conduct any mining operations within one hundred (100) feet of above-ground oil and gas improvements.

10. EVENTS OF DEFAULT

Each of the following events shall be deemed to be an "Event of Default" under this Lease Agreement:

(a) Lessee shall fail to pay any (i) Royalty (including, without limitation, Minimum Royalty), or (ii) any other sum of money required hereunder and such failure shall continue for more than thirty (30) days after written notice thereof to Lessee; provided, however, that Lessor will not be obligated to provide more than two (2) such notices during any twelve (12) month period with respect to the same or similar failure and thereafter during such twelve (12) month period, Lessee's failure to comply shall constitute an immediate Event of Default without the need for Lessor to send Lessee written notice of such failure.

(b) Lessee shall fail to comply with any term, provision or covenant of this Lease Agreement, other than as described in Subsection (a) above, and shall not cure such failure within thirty (30) days after written notice thereof to Lessee; provided, however, that Lessor will not be obligated to provide more than two (2) such notices during any twelve (12) month period with respect to the same or similar failure and thereafter during such twelve (12) month period, Lessee's failure to comply shall constitute an immediate Event of Default without the need for Lessor to send Lessee written notice of such failure. Notwithstanding the foregoing, if Lessee is entitled to receive from Lessor a notice of such failure and if such failure is not curable within the thirty (30) day period following Lessee's receipt of written notice thereof, such failure shall not constitute an Event of Default if Lessee commences good faith efforts to cure such failure within such thirty (30) day period and thereafter diligently pursues such curative efforts to completion in good faith. However, such failure shall nevertheless constitute an Event of Default notwithstanding Lessee's good faith best efforts to correct such failure if Lessee has been unable to cure such failure within ninety (90) days following receipt of written notice of such failure.

(c) Lessee shall file a petition for relief under the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or a petition for relief shall be filed against Lessee under the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof and such petition shall not be dismissed within ninety (90) days of the filing thereof; or Lessee shall be adjudged bankrupt or insolvent in proceedings filed against Lessee thereunder; or an order for relief shall be entered with respect to Lessee under the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or an order shall be entered by any governmental authority for the dissolution or liquidation of Lessee.

(d) Lessee shall do or permit to be done anything which creates a legally valid lien upon the Leased Premises or on any Material, and fails to have same removed within sixty (60) days notice of its filing (except for the Security Instrument (defined in Section 28)).

(e) Lessee shall default under any other lease or agreement with Lessor, now or hereafter existing.

(f) Lessee shall fail to have any Security Instrument (as defined in Section 28) released on or before the date agreed to at the time the Security Instrument is executed.

11. REMEDIES

A. General. Upon the occurrence of any Event of Default, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand for possession whatsoever (1) terminate this Lease Agreement in which event Lessee shall immediately surrender the Leased Premises to Lessor; (2) terminate Lessee's right to occupy the Leased Premises and re-enter and take possession of the Leased Premises (without terminating this Lease Agreement); (3) enter upon the Leased Premises and do whatever Lessee is obligated to do under the terms of this Lease Agreement (and Lessee shall reimburse Lessor on demand for any expenses which Lessor may incur in effecting compliance with Lessee's obligations under this Lease Agreement) and Lessor shall not be liable for any damages resulting to Lessee from such action; or (4) exercise all other remedies available to Lessor at law or in equity, including, without limitation, injunctive relief of all varieties. The provisions of this Section shall be enforceable to the maximum extent not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion. No re-entry or taking of possession of the Leased Premises by Lessor shall be construed as an election on Lessor's part to terminate this Lease unless a written notice of such termination is given to Lessee. The failure of Lessor to insist at any time upon the strict performance of any covenant or agreement herein or to exercise any option, right, power or remedy contained in this Lease Agreement shall not be construed as a waiver or a relinquishment thereof for the future. No payment by Lessee or receipt by Lessor of a lesser amount than the amount then due under this Lease Agreement shall be deemed to be other than on account of the earliest obligation of Lessee due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction. Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such obligation of Lessee or pursue any other remedy in this Lease Agreement provided. All rights, privileges and remedies afforded either of the parties hereto by this Lease Agreement or by law shall be deemed cumulative, and the exercise of any one of such rights, privileges and remedies shall not be deemed to be a waiver of any other right, privilege or remedy provided for herein or granted by law, except as may otherwise be provided for pursuant to the terms of this Lease Agreement.

B. Re-Entry by Lessor. Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in or future Royalties, expel or remove Lessee and any other person who may be occupying the Leased Premises or any part thereof. The provisions of Section 11.A shall apply with respect to the period from and after the giving of notice of such repossession by Lessor.

C. Termination of Lease Agreement. If Lessor elects to terminate this Lease Agreement pursuant to the terms of Section 11.A., then, notwithstanding such termination, Lessee shall be liable for and shall pay to Lessor the sum of all Royalties (including, without limitation, all Minimum Royalty) and other indebtedness accrued to the date of such termination,

plus, as damages, an amount equal to the total of (1) the cost of recovering the Leased Premises, (2) the cost of removing and storing Lessee's and other occupant's property located therein, (3) the cost of collecting such amounts from Lessee hereunder, and (4) any other sums of money or damages that may be owed to Lessor as the result of default by Lessee or the exercise of Lessor's rights at law or in equity. For clarification purposes, Lessee does not have an option to terminate the Lease Agreement during the Primary Term and regardless of when the Lease Agreement is terminated, Lessee will owe, at a minimum, the Minimum Royalty payment for each year during the Primary Term, subject to Lessor's compliance with its obligations under this Lease.

12. TERMINATION BY LESSEE

Lessee shall have the right, at its option, to terminate this Lease Agreement, with or without cause, at any time after the Primary Term hereof by giving at least six (6) months prior written notice to Lessor. Lessee does not have the right to terminate this Lease Agreement during the Primary Term. Upon any termination by Lessee, except for the rights set forth in Sections 14 and 15, all rights and obligations of the parties hereunder shall cease, except for rights or obligations which accrued prior to the effective date of such termination.

13. FORCE MAJEURE

Should Lessee be prevented, by any cause beyond Lessee's control (including, without limitation, fire, cave-in, flood, windstorm, other damage from the elements, strike, riot, scarcity of or inability to obtain necessary equipment or materials, unavailability of transportation, any federal or state law or any order, rule or regulation of governmental authority, litigation, act of God, or act of public enemy), from complying with any express or implied covenant of this Lease Agreement, then, while so prevented, Lessee's obligation to comply with such covenant shall be suspended. Lessee shall, within a reasonable period of time, notify Lessor of the beginning and ending date of each such period of force majeure. Notwithstanding any of the foregoing, any occurrence of force majeure caused or contributed to because of any action or inaction of Lessee shall not be deemed beyond Lessee's control.

14. END OF TERM

Except as otherwise provided herein, Lessee shall have the right and shall be obligated within three (3) months from and after the expiration of the term of this Lease Agreement or the earlier termination hereof, to dismantle and remove plants, machinery, equipment, improvements and other facilities installed or constructed on the Leased Premises by Lessee, and to sell and remove Materials then stockpiled on the Leased Premises. Notwithstanding any of the foregoing, prior to removal of any of the concrete improvements located on the Leased Premises, Lessee will consult with Lessor to determine if Lessor would prefer that such concrete improvements remain on the Leased Premises. Lessee may, at its sole discretion, abandon to Lessor any and all stockpiled Materials as is and where is on the Leased Premises. Additionally, Lessee shall be allowed to leave in place as is and where is any and all roads, and any and all other surface features requested by Lessor and agreed to and constructed by Lessee pursuant to said requests, if any. Notwithstanding any of the foregoing, Lessee shall not have the right to remove from the Leased Premises, and Lessee shall abandon to Lessor at the expiration or earlier termination of this Lease Agreement, at no expense to Lessor, all water wells, pipelines, water lines and related

equipment (including, without limitation, pumps) related to such water wells, pipelines, and water lines) located on the Leased Premises. For the avoidance of doubt, Lessor acknowledges that upon expiration or earlier termination of this Lease Agreement, Lessor shall have no claim to and Lessee shall be entitled to remove from the Leased Premises any and all stand alone water pumps owned by Lessee or used in the operation of Lessee's business.

15. RESTORATION OF PREMISES

Lessee shall conduct all operations on the Leased Premises in such a manner as not to unreasonably damage the portion of the Leased Premises where there will be no mining operations. Lessee shall conduct all operations in such a manner as to observe and comply with all Laws applicable to the Leased Premises and all Laws applicable to the conduct of Lessee's operations.

Lessee expressly agrees to dispose of all tailings and other mining wastes in accordance with all applicable Laws and shall reclaim all of disturbed perimeter portions of any lakes created by mining such that those perimeter portions shall be left at a slope no steeper than four feet horizontal to one foot vertical within three (3) months of termination of the Lease Agreement.

By the expiration or earlier termination of the term of this Lease Agreement, Lessee shall grade that portion of the Leased Premises which has been excavated by Lessee or on which Lessee has conducted operations so as to eliminate all unreasonable irregularities therein and so that such portion of the Leased Premises which has been excavated by Lessee conforms to the drawing set forth on Exhibit C attached hereto. Upon completion of the required grading, Lessee shall cover such area with sand, clay, or topsoil, or a mixture of any of the foregoing, from the resources then existing on the Leased Premises, and shall thereafter reseed the surface with a seed mixture approved by Lessor. Notwithstanding the foregoing, in no event shall Lessee be required to import any Materials, including but not limited to, sand, clay, or topsoil from off-site for purposes of complying with its restoration obligations in this Section 15. Should this obligation not be met by the end of the term of this Lease Agreement, it shall nevertheless survive and continue beyond the term of this Lease Agreement and shall be an obligation owed by Lessee to Lessor. This obligation is owed by Lessee in addition to any other obligation imposed upon Lessee by this Lease Agreement.

16. ADDITIONAL RIGHTS AND OBLIGATIONS OF LESSOR AND LESSEE

A. Continuing Ownership of Certain Minerals. This Lease Agreement shall be subordinate and inferior to any and all existing recorded oil and gas leases, severed mineral interests, easements, rights of way and/or restrictions, (including those which are set forth in Exhibit B, attached hereto), affecting all or any portion of the Leased Premises, and any severed mineral interests, easements, rights of way and/or restrictions affecting the Leased Premises and executed by Lessor subsequent to the commencement date of this Lease Agreement shall be subordinate and inferior to this Lease Agreement. Any oil and gas lease executed by Lessor subsequent to the commencement date of this Lease Agreement shall be subordinate and inferior to this Lease Agreement only to the extent of the surface rights of the lessee under such oil and gas lease would interfere with Lessee's rights hereunder to mine and remove Materials.

B. **Agricultural and Water Rights.** Lessor retains title to, and at Lessor's option the right to, remove and sell all of the merchantable timber, grass, fences, and other improvements on said Leased Premises provided it does not unreasonably interfere with Lessee's operations. Subject to Lessee's non-exclusive right to use the water on the surface and subsurface of the Leased Premises, Lessor retains title to, and at Lessor's option the right to, remove and sell water from said Leased Premises provided it does not unreasonably interfere with Lessee's operations. There is further excepted and reserved to Lessor the full use of the Leased Premises and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of the Leased Premises by Lessor, for all purposes (including, without limitation, any and all agricultural purposes) not inconsistent with the rights granted to Lessee in this Lease Agreement. All of the rights in and to the Leased Premises retained by Lessor and all of the rights in and to the Leased Premises granted to Lessee shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

Lessor hereby agrees that any merchantable timber, fences and other improvements which are not removed by Lessor from the Leased Premises within sixty (60) days following written notice from Lessee to Lessor of Lessee's intent to mine any area of the Leased Premises upon which merchantable timber, fences and other improvements are located shall be deemed abandoned to Lessee for its disposal. However for any portion of the Leased Premises upon which pulp wood size or larger timber is standing and is harvest able, Lessee shall be obligated to provide at least six (6) months notice in advance to Lessor or pay fair market value for the saleable timber after either of which said timber shall be deemed abandoned to Lessee for its disposal. In addition, Lessee at Lessee's expense shall relocate (including by means of replacement if necessary) to a location reasonably acceptable to Lessor all fences removed or to be removed by Lessee which are reasonably necessary for confining any livestock located on any portion of the Leased Premises.

C. **Security Access.** Lessor acknowledges that Lessee shall utilize valuable equipment in conducting its operation on the Leased Premises and Lessee may desire to secure the Leased Premises for the protection of its property. Accordingly, Lessor grants unto Lessee the right to utilize the existing fences and to otherwise secure the Leased Premises as it deems desirable. Lessor and Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, invitees and guests shall be permitted access to the Leased Premises to engage in the activities permitted them under this Lease Agreement and to make periodic inspections of Lessee's operations. The right reserved unto Lessor and Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, invitees and guests shall be personal and non-assignable without the written consent of Lessee.

D. **Lease Security.** Lessee will take ordinary care and all safeguards a reasonably prudent operator would take to protect the Leased Premises and to prevent theft of all Materials produced from the Leased Premises. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production and storage systems where theft of said Materials can occur.

E. **Inspections.** Upon three (3) days prior written notice, Lessee's mining, milling, and processing operations shall be subject at any reasonable time during regular business hours

to inspection by Lessor and/or Lessor's authorized representatives. This inspection right shall include the following: Lessor and/or Lessor's authorized representatives are authorized to (a) check scales, sampling and assaying procedures as to their accuracy, (b) have full access to any of the entries, shafts, pits, stopes or workings on the Leased Premises, and c) examine all weight sheets, records and any other documents that may show in any way the Material output of the Leased Premises. Copies of any records or other documents pertaining to these operations reasonably necessary in order for Lessor to reasonably verify the proper and timely performance by Lessee of Lessee's obligations under this Lease Agreement shall be furnished to Lessor upon written request.

F. Required Deliveries. A log, sample analysis, or other information obtained from each test drilled or area sampled on the Leased Premises shall be delivered to Lessor upon a reasonable request as to time and place, and at the cost of Lessor. Further, Lessee shall furnish to Lessor by January 31 of each calendar year during the term of this Lease Agreement a map or plat showing all activities and workings conducted on or in association with this Lease Agreement during the immediately preceding calendar year.

17. INTENTIONALLY OMITTED

18. LESSOR'S LIEN WAIVER AND SUBORDINATION

Lessor waives any contractual, constitutional, or statutory lien in all goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper, and any other personal property of Lessee located at the Leased Premises, and, if Lessee is not in default, Lessor, within ten (10) days of Lessee's written request, will sign and deliver an estoppel letter to Lessee and/or any third party confirming this waiver.

19. HAZARDOUS MATERIALS

No Hazardous Material (except for motor vehicle fuels and lubricants used in the ordinary course of Lessee's business at the Leased Premises and that are used, kept and disposed of off-site in compliance with Laws) shall be brought upon, used, kept, disturbed, processed, or disposed of in, on, under, at, about, or from the Leased Premises by Lessee or any other party during the Lease Agreement term without Lessor's prior written consent, which consent may be withheld in Lessor's sole and absolute discretion. All such Hazardous Materials (even if consented to by Lessor) shall be used, kept, processed, stored, treated and disposed of at the sole risk and expense of Lessee. If Contamination occurs as a result of an act or omission of any Lessee or any other party during the Lease Agreement term, Lessee shall, at its expense, promptly take all actions necessary to comply with Laws and to return the Leased Premises and any adjoining or affected property to its condition prior to such Contamination, subject to Lessor's prior written approval of Lessee's proposed methods, times and procedures for remediation. Lessee shall provide Lessor reasonably satisfactory evidence that such actions shall not adversely affect Lessor or any of Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, guests, or invitees or the Leased Premises or any other property. Lessor may require that a representative of Lessor be present during any such actions. If Lessee fails to take and diligently prosecute any necessary investigatory or other remedial actions within thirty (30) days after written notice from Lessor or any governmental agency (or

any shorter period required by any governmental agency) that such investigatory or remedial action is required, Lessor may take such actions and Lessee shall reimburse Lessor for its costs therefore including those of any environmental consulting or attorneys fees, within thirty (30) days of Lessor's invoice. For purposes of this Lease Agreement, a "Hazardous Material" is any substance (y) the presence of which requires, or may hereafter require, notification, investigation or remediation under any Laws; or (z) which is now or hereafter defined, listed, regulated, or subject to liability by any Law or governmental authority as a "hazardous waste," "extremely hazardous waste," "solid waste," "toxic substance," "hazardous substance," "hazardous material," "regulated substance," "pollutant," "contaminant," or otherwise regulated under or subject to liability under any Laws. "Contamination" means any release or threatened release of a Hazardous Material in, on, under, at, about, or from the Leased Premises which may result in any liability, fine, use restriction, cost recovery or contribution claim, lien, reporting, investigation, or remediation requirement, or other government or private party action or imposition affecting Lessor or any of Lessor's agents, employees, partners, contractors, subcontractors, lessees, licensees, guests, or invitees or the Leased Premises. For purposes of this Lease Agreement, claims arising from Contamination shall include, but not be limited to, diminution in value, restrictions on use, and all costs of site investigation, response, remediation, removal and restoration work.

20. NOTICES

All notices, unless otherwise provided for herein, shall be in writing and delivered in person or by U.S. certified mail, return receipt requested to the respective parties at their respective addresses set forth in the caption of this Lease Agreement or such other address as shall be specified in a notice given by such party to the other in accordance with this Section. Lessee may send any and all payments and Royalty accounting statements to Lessor by first class mail or as otherwise provided for herein. All said notices shall be deemed properly given at the time when delivered to the party to which such notice is directed in person or four (4) business days after being deposited in the United States Postal Service or nationwide overnight delivery service, properly addressed to such party, at such party's mailing or direct delivery address set forth hereinabove with postage or delivery prepaid, sent by certified mail or overnight delivery, return receipt requested.

21. ASSIGNMENTS

A. By Lessee. Except for (i) the assignment of Lessee's interest in this Lease, or any portion thereof, to Lessee's lender, provided that such lender agrees to assume Lessee's obligations hereunder upon any exercise of its interest herein at the time of such exercise; or (ii) the assignment of Lessee's interest in this Lease in connection with the sale of substantially all of Lessee's assets or stock, and provided that such purchaser assumes Lessee's obligations hereunder, Lessee shall not assign, transfer or encumber any interest in this Lease Agreement without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed by Lessor. Any attempted assignment in violation of this Section is voidable at Lessor's option. Upon any permitted assignment by Lessee of this Lease Agreement, in whole or in part, the assignee will succeed to all rights and be subject to all liabilities, claims, obligations, penalties, and the like, theretofore incurred by the assignor, including any liabilities to Lessor for unpaid Royalties. However, such assignment will not have the effect of releasing

the assignor from any liability, claim, obligation, penalty, or the like, theretofore accrued in favor of Lessor. In addition, upon any assignment of this Lease Agreement by Lessee, the assignee assumes, for the benefit of Lessor, the obligation to fulfill all provisions and covenants of this Lease Agreement, both expressed and implied. Assignee, as used in this section, shall also include any successor, devisee, legal representative or heir of an assignee who acquires any right or obligation initially held by that assignee under this Lease Agreement.

Upon any permitted assignment by Lessee of any divided part of this Lease Agreement, whether divided by acreage, zone, horizon, mineral or other similar method, such assigned interest shall become segregated from the remaining portion of this Lease Agreement so that from the date of such assignment or assignments, the provisions hereof shall extend and be applicable severally and separately to each segregated portion of the Leased Premises and so assigned, so that performance or lack of performance of the provisions hereof as to any segregated portion of this Lease Agreement shall not benefit or prejudice any other segregated portion, to the same extent as if each segregated portion of the Leased Premises are under separate leases.

In the case of any permitted assignment by Lessee of any undivided interest in this Lease Agreement, no covenant or condition hereof, implied or expressed, is divisible. Anything less than complete compliance with such covenants or conditions shall render this Lease Agreement subject to forfeiture and/or termination as provided by the provisions of this Lease Agreement.

B. By Lessor. Lessor shall not assign or transfer any interest in this Lease Agreement or sublease or allow any third party to use any portion of the Leased Premises without the prior written consent of Lessee, which consent shall not be unreasonably withheld, conditioned or delayed by Lessee. Any attempted assignment or subletting in violation of this Section is voidable at Lessee's option. Upon any permitted assignment by Lessor of this Lease Agreement, in whole or in part, the assignee will succeed to all rights and be subject to all liabilities, claims, obligations, penalties, and the like, theretofore incurred by the assignor, including any liabilities to Lessee. However, such assignment will not have the effect of releasing the assignor from any liability, claim, obligation, penalty, or the like, theretofore accrued in favor of Lessee. In addition, upon any assignment of this Lease Agreement by Lessor, the assignee assumes, for the benefit of Lessee, the obligation to fulfill all provisions and covenants of this Lease Agreement, both expressed and implied. Assignee, as used in this section, shall also include any successor, devisee, legal representative or heir of an assignee who acquires any right or obligation initially held by that assignee under this Lease Agreement.

22. SUCCESSORS

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and the respective heirs, personal representatives, successors, and permitted assigns of the parties hereto.

23. ENTIRE AGREEMENT

This Lease Agreement, together with the Escrow Agreement, comprises the entire agreement between the parties hereto with respect to the subject matter hereof and may only be

changed or modified by an agreement in writing executed by all parties and, with respect to the Escrow Agreement, the Escrow Agent.

24. SEVERABILITY

In the event any provision of this Lease Agreement conflicts with any law under which this Lease Agreement is to be construed or if any such provision is held invalid or unenforceable by a court with jurisdiction of the parties to this Lease Agreement, such provision shall be deemed deleted from the Lease Agreement and the Lease Agreement shall be construed to give effect to the remaining provisions thereof.

25. GOVERNING LAW

This Lease Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Texas. Exclusive venue for any court action or litigation in connection therewith shall lie in the state courts of Hood County, Texas. In the event any action is brought to interpret or enforce this Lease Agreement, then the prevailing party in such action shall be entitled to recover from the other party attorney's fees and court cost incurred in such action.

26. MEMORANDUM OF LEASE

Lessor and Lessee agree to sign a Memorandum of Lease Agreement for recording purposes if either party requests. Such Memorandum of Lease Agreement shall be in form and substance reasonably satisfactory to Lessor and Lessee.

27. CONDEMNATION


If, during the lease term, or any extension of the lease term, all or a part of the Leased Premises are taken for any public or quasi-public use under any governmental law, ordinance, or regulation or right of eminent domain, or are sold to the condemning authority under threat of condemnation, this lease will terminate, and any royalties owed for the unexpired term of this lease, or extension thereof, will be forgiven.

[SIGNATURE PAGE TO FOLLOW]

THUS DONE AND SIGNED by the respective parties hereto, after due and complete reading of the whole, to be effective for all purposes as of the date first above written.

LESSOR:

GHMR Operations, LLC,
a Texas limited liability company

By 
Name Marty Robertson
Title Member

LESSEE:

Lonestar Prospects, Ltd.,
a Texas limited partnership

By: GRJ Holdings, L.L.C., a Texas limited liability
company, its General Partner

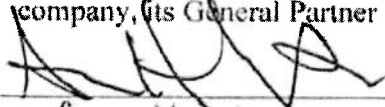
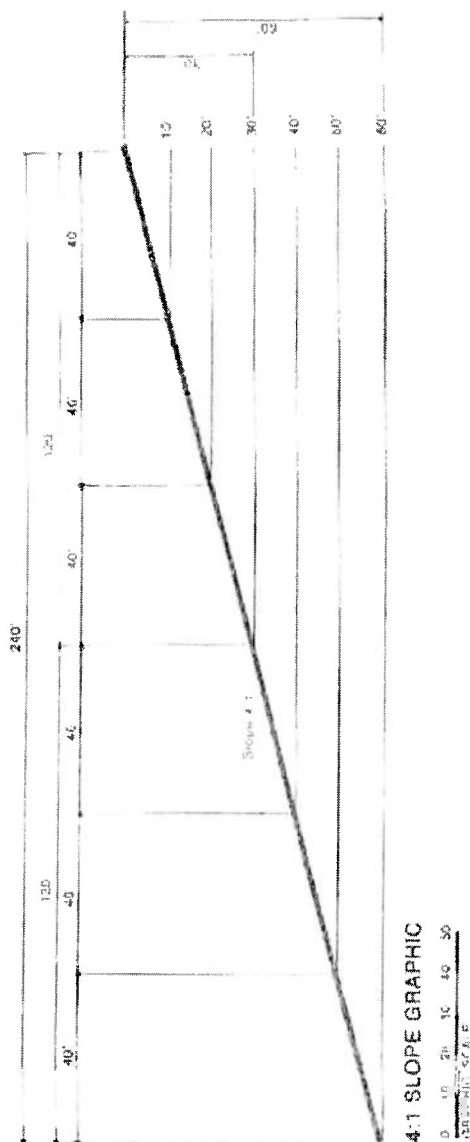
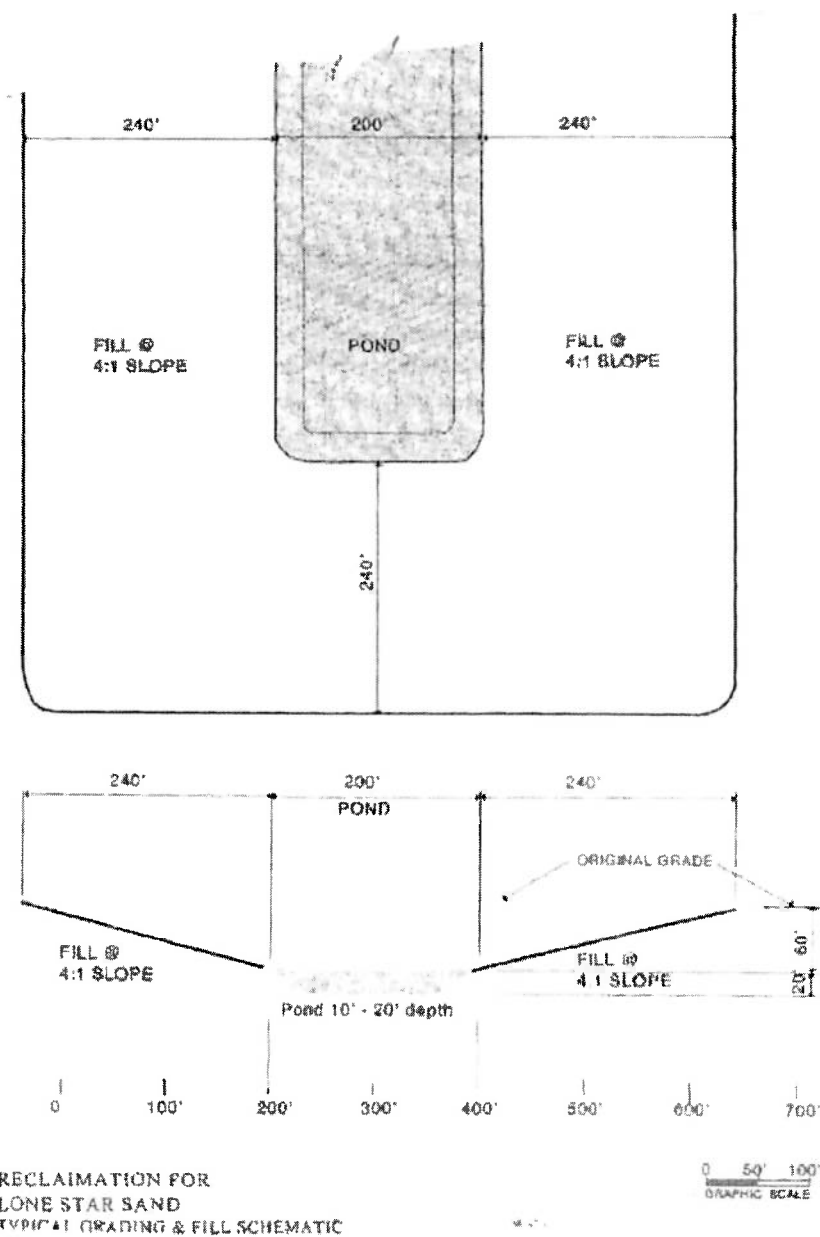
By 
Name Gary Humphreys
Title member

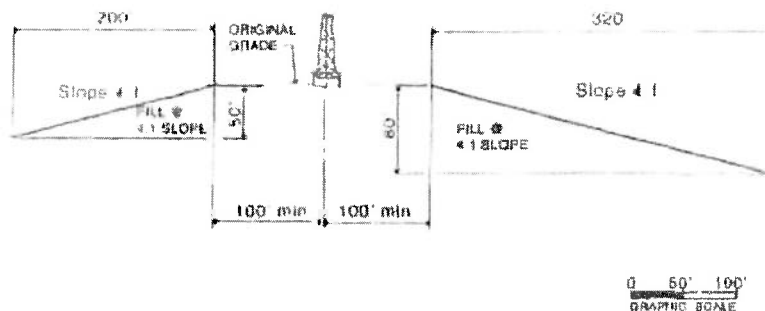
Exhibit "A"

Exhibit "B"

Exhibit "C"







RECLAMATION FOR
LONE STAR SAND
GAS WELL GRADING PLAN

EXHIBIT D

LEASE AGREEMENT

TIDS LEASE AGREEMENT (this "Lease"), is entered into as of May 1, 2016, by and between GHMR Operations, LLC ("Landlord") and Maalt, LP ("Tenant").

WITNESSETH:

1. Lease of Premises: Title and Condition. For good and valuable consideration and upon the terms and conditions herein specified, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the transloading facility, other improvements and land located at 1415 S. BI 35 D, Dilley, Frio County, Texas as depicted on Exhibit "A" attached to this lease (the "Premises"). The Premises does not include the property leased to Maalt Specialized Bulk, LLC. Except as may otherwise be expressly provided herein:

(a) TENANT ACKNOWLEDGES THAT IT IS LEASING THE PREMISES IN ITS PRESENT CONDITION WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, BY LANDLORD, AND SUBJECT TO ALL APPLICABLE LEGAL REQUIREMENTS NOW OR HEREAFTER IN EFFECT;

(b) TENANT ACCEPTS THE PREMISES IN ITS PRESENT "AS IS" AND "WHERE IS" CONDITION AND LANDLORD DOES NOT BY THE EXECUTION OF THIS LEASE OR OTHERWISE MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR ANY NATURE WHATSOEVER, WITH RESPECT TO THE PREMISES HEREBY DEMISED, AND ALL SUCH REPRESENTATIONS AND WARRANTIES ARE HEREBY DISCLAIMED. IN EXPANSION OF, AND NOT IN LIMITATION OF THE FOREGOING, TENANT ACKNOWLEDGES THAT ANY SQUARE FOOTAGE OF IBE PREMISES DEPICTED IN EXHIBIT "A" IS AN ESTIMATE AND TENANT'S OBLIGATION TO PAY RENT OR OTHER AMOUNTS UNDER TIDS LEASE WILL NOT IN ANY WAY BE IMPACTED OR MODIFIED IF THE ACTUAL SQUARE FOOTAGE OF IBE PREMISES IS LESS THAN DEPICTED; AND

(c) LANDLORD MAKES NO EXPRESS OR IMPLIED WARRANTY OF HABITABILITY OR FITNESS OF THE PREMISES OR IMPROVEMENTS FOR ANY PURPOSE, OR AS TO THE MERCHANTABILITY, TITLE, VALUE, QUALITY, CONDITION OR SALABILITY OF THE PREMISES OR THE IMPROVEMENTS.

2. Initial Term.

(a) Term. The Premises is leased to Tenant hereunder for a five (5) year term (the "Initial Term") commencing on May 1, 2016 and terminating on April 30, 2021. The term will automatically renew for successive six (6) month terms until terminated by Landlord or Tenant by written notice given at least thirty (30) days prior to the end of any term.

3. Rent.

(a) Tenant shall pay to Landlord, as monthly rent, the sum of two hundred fifty and no/100 Dollars (\$250.00) per railcar received at the Premises for transloading for the Premises (the "Rent") beginning on May 1, 2016 with a minimum monthly rent of one hundred thirty two thousand, five hundred and 00/100 Dollars (\$132,500.00) In addition, Tenant shall pay to

EXHIBIT D

Landlord as additional rent three and no/100 dollars (\$3.00) per ton of sand transloaded on the Premises beginning with Dilley Train #47 and continuing until 1,000,000 tons of sand have been transloaded. The amount of sand transloaded shall be based on the outbound tonnage of sand. All rent payments shall be payable without demand or set off, on the first day of every calendar month during the Term (to be prorated in the event of any partial month). No security deposit is required hereunder. The Rent due for the first month of the Term shall be prorated based upon the actual number of days during that first month.

(b) Tenant shall pay to Landlord interest at the lesser of the (i) the maximum rate allowed by applicable law, and (ii) the rate of fifteen percent (15%) per annum, on all overdue rent payments payable to Landlord hereunder from ten (10) days after the due date therefor until paid by Tenant.

4. Gross Lease.

(a) Except as expressly otherwise provided herein, this Lease is intended to be, and shall be construed as, a gross lease, whereby under all circumstances and conditions (whether now or hereafter existing or within the contemplation of the parties), Landlord shall be solely responsible for and shall pay any and all expenses, costs, liabilities, taxes, obligations and charges whatsoever which shall arise or be incurred, or shall become due, during or in respect of the Term, in respect of or in connection with the Premises or the ownership, leasing, operation, management, maintenance, repair, use, occupancy, or any other aspect thereof, or any portion thereof Notwithstanding the foregoing or anything else herein to the contrary, Tenant shall be responsible for payment of all utilities, including water, gas, electric and telephone service delivered to the Premises.

(b) The parties intend that the obligations of Tenant hereunder shall be separate and independent covenants and agreements and shall continue unaffected unless such obligations shall have been modified or terminated pursuant to an express provision of this Lease.

5. Permitted Use. The Premises shall be used for a sand transloading and storage facility and for no other purpose. Tenant agrees not to use or permit the use of the Premises for any purpose which is illegal, dangerous to life, limb or property or which, in Landlord's sole judgment, creates a nuisance or which would increase the cost of insurance coverage with respect to the Premises. Tenant will conduct its business and control its agents, servants, employees, customers, licensees, and invitees in such a manner as not to interfere with, annoy or disturb other tenants, if any, or Landlord in the management of the Premises and the Land. Tenant will maintain the Premises in a clean and healthful condition, and comply with all laws, ordinances, orders, rules and regulations of any governmental entity with reference to the use, condition, configuration or occupancy of the Premises.

6. Compliance with Laws, Etc. Tenant covenants throughout the Term and any extended term of this Lease, at the sole cost and expense of Tenant, to comply promptly with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and officers thereof ("Legal Requirements") , and the orders, rules and regulations of any applicable board of insurance underwriters, or any other body exercising similar functions, foreseen or unforeseen, extraordinary as well as ordinary, which may be applicable to any aspect of the Premises (or to

any adjoining public sidewalks and curbs) or to the use or the manner of use of the Premises, or to the restoration, repairing, replacing or rebuilding of the Premises provided for in this Lease, or in respect of any changes or alterations made by Tenant to the improvements, or any other aspect of the Premises and with the requirements of all insurance required hereunder to be maintained by Tenant.

7. Liens. Tenant shall not suffer or permit any mechanic's, materialmen's, vendor's, supplier's, laborer's, or other similar liens (collectively, "Mechanic's Liens") to be filed against the Premises, or any part thereof, by reason of work, labor, services or materials supplied at the request of Tenant or any officer, director, employee or agent of Tenant. If any such mechanic's lien shall at any time be filed against the Premises, or any part thereof, Tenant shall, within thirty

(30) Days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, and order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged within such thirty (30) day period, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due (if bonding or deposit proceedings are insufficient to protect the material interests of Landlord) or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled to reimbursement from Tenant upon demand.

8. Impositions.

(a) Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

(b) Tenant may, at its sole cost and expense, in its own name, dispute and contest any impositions by appropriate proceedings diligently conducted in good faith, but only after Tenant has deposited with Landlord the amount so contested and unpaid, which shall be held by Landlord without obligation of interest until the termination of the proceedings, at which time the amount(s) deposited shall be applied by Landlord toward the payment of the items held valid (plus any court costs, interest, penalties and other liabilities associated with the proceedings), and any excess shall be returned to Tenant. Tenant further agrees to pay to Landlord upon demand all court costs, interest, penalties and other liabilities relating to such proceedings. Tenant hereby indemnifies and agrees to hold harmless Landlord from and against any cost, damage or expense (including attorneys' fees) in connection with any such proceedings.

9. Maintenance and Repair. Tenant shall, at its sole cost and expense, maintain the Premises, including, but not limited to the track, silos and other infrastructure and equipment, in a good and serviceable state of repair and condition, reasonable evidence of which has been provided to Landlord. Landlord will not be responsible to make any other foreseen or unforeseen, or ordinary or extraordinary changes or repairs which may be required to keep the Premises in good (or any other) repair and condition; or in compliance with any applicable laws except as may otherwise be expressly provided herein. Except as expressly provided herein, Landlord shall not be required to maintain, repair or rebuild the improvements on the Premises or

Maintain the Premises. If Landlord does not perform the repairs, maintenance and replacements required pursuant to this Lease within thirty (30) days after receipt of written notice from Tenant; provided, however, that if any such repairs cannot be reasonably performed with said thirty (30) day period by the exercise of due diligence by Landlord, then the same shall not give rise to Tenant's right to perform such repairs hereunder if within said thirty (30) day period Landlord commences the performance of such repairs and diligently prosecutes the same to completion, then Tenant shall have the right, but not the duty, to do said repairs, maintenance and replacements on behalf of Landlord and Tenant may offset the cost thereof, plus ten (10%) percent for overhead, against the Rent.

10. Interior Finish Out and Alterations. Tenant shall not alter or modify the configuration of any of the improvements within the Premises without the prior written consent of Landlord, which will not be unreasonably withheld, delayed or conditioned.

11. Assignment and Subletting. Tenant shall not, without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of Landlord: (1) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of law; (2) permit any other entity to become tenant hereunder by merger, consolidation, or other reorganization; (3) permit the transfer of an ownership interest in Tenant so as to result in a change in the current control of Tenant; (4) sublet any portion of the Premises; (5) grant any license, concession, or other right of occupancy of any portion of the Premises; or (6) permit the use of the Premises by any parties other than Tenant. No assignment or subletting shall release Tenant from its obligations hereunder; and Tenant shall in any event be obligated to pay to Landlord as additional rent hereunder any consideration received by Tenant from any such assignment, sublease or other disposition which exceeds the Base Rent payable by Tenant hereunder for the equivalent time period and portion of the Premises and the costs to Tenant of completing such transaction.

12. Insurance.

(a) Tenant shall, at its sole cost and expense maintain or cause to be maintained with any insurance company or companies authorized to do business in the State of Texas and with a current Best's Insurance Guide rating of A- or better, commercial general liability including bodily injury and property damage for which Tenant may be liable, and contractual liability insurance applicable to the Premises in such amounts and with such coverage as are usually carried by prudent persons operating similar properties in the same general locality, but in any event with a minimum combined single limit of not less than \$1,000,000 for any one occurrence, together with umbrella liability insurance coverage of \$5,000,000 for bodily injury and property damage with respect to any one occurrence. Such policy or policies shall provide primary coverage with respect to the Premises and shall show Landlord as an additional named insured.

(b) Tenant shall, at Tenant's cost and expense, maintain or cause to be maintained with an insurance company or companies authorized to do business in the State of Texas, extended coverage insurance insuring the improvements against risk of direct physical loss to the extent of replacement value, showing Landlord as loss payee.

(c) Tenant shall deliver to Landlord, promptly upon request, certificates evidencing all insurance required to be maintained by Tenant under this Section 12, and, upon request, a

certificate of or binder evidencing any policy of insurance procured as a replacement for any expiring policy at least fifteen (15) days prior to the date of such expiration. In the event Tenant shall fail to effect or maintain any insurance required to be effected or maintained pursuant to the provisions of this Section 12, if any, Landlord shall have the right, but shall not be required, to immediately procure and maintain such policies at the expense of Tenant and Tenant shall indemnify Landlord against damage, loss or liability resulting from events or circumstances occurring or existing during the Term that are within the scope of the coverage that should have been effected or maintained. The obligations of Tenant to indemnify Landlord for such damage, loss, or liability resulting from events or circumstances occurring or existing during the Term shall survive the expiration or sooner termination of this Lease.

13. Utilities. The cost and charges for all utility services serving the Premises during the Term shall be paid by Tenant.

14. Condemnation.

(a) If, at any time during the Term of this Lease, there shall be a taking of twenty-five percent (25%) or more of the Land in condemnation proceedings or by any right of eminent domain (other than the taking by eminent domain for occupancy for a limited period), then at the option of Tenant, this Lease shall terminate on the date of such taking and the Base Rent and other charges payable by Tenant hereunder shall be apportioned and paid to the date of such taking. In the event of any such substantial taking and termination of this Lease, the entire award or awards for said taking shall be paid to Landlord.

(b) In the event of a taking constituting less of the Land, such that Section 14(a) does not apply or Tenant elects not to terminate this Lease in accordance with Section 14(a) (including a taking for occupancy for a limited period), this Lease shall continue as to the remaining portion of the Premises and the Base Rent shall be equitably abated (or suspended during any period of time the Premises are temporarily wholly unsuitable for use). The entire award or awards of the taking shall be payable to Landlord.

15. Hazardous Materials: Environmental Conditions.

(a) Tenant and Landlord hereby agree as follows with respect to Hazardous Materials and environmental matters relating to the Premises:

(i) Tenant shall comply in all material respects, and cause all other parties on the Premises to comply in all material respects, at all times with (A) all material Environmental Laws in connection with the Premises, including, without limitation, those material Environmental Laws relating to the use, storage, management, transportation and disposal of Hazardous Materials and those material Environment Laws relating to reporting, notification and filing of information relating to Hazardous Materials, and (B) all material permits, licenses and authorizations required or issued pursuant to Environmental Laws with respect to the Premises.

(ii) Tenant shall not conduct or permit any other party to conduct any Prohibited Activity on the Premises at any time during the Term of this Lease.

(iii) In the event that Tenant or any other party uses, stores or maintains any Hazardous Materials on the Premises during the Term of this Lease, Tenant shall, or shall cause such other party to, use, store, maintain and dispose of such Hazardous Materials in all material respects in a reasonable manner and in accordance with the reasonable and customary practices of owners and operators of businesses or operations similar in nature to the business or operation then maintained or conducted by Tenant or any other party on the Premises and in any event in compliance with paragraph (i) above, -without limitation of the foregoing requirements, if the use, storage or management of Hazardous Materials by Tenant or any other party at the Premises or any other acts or omissions of Tenant or any other party at the Premises related to Hazardous Materials causes or results in a material adverse risk or effect, Tenant shall, at its sole cost and expense, promptly take all applicable action to eliminate or avoid such material adverse risk or effect.

(iv) During the Term of this Lease, Tenant shall promptly provide Landlord with true, correct and complete copies of all material written summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, claims, complaints, investigations, judgments, letters, notices of environmental liens or response actions in progress, and other communications, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, or other federal, state or local environmental agency or authority, or any other entity or individual (including both governmental and non-governmental entities and individuals), concerning (A) any actual or alleged release of a Hazardous Material on, to or from the Premises; (B) the imposition of any lien on the Premises pursuant to any Environmental Law; or (C) any actual or alleged violation of or responsibility under Environmental Laws.

(v) Upon written request by Landlord, Tenant shall provide Landlord with true, correct and complete copies of (A) any and all permits issued to Tenant or any other party under Environmental Laws with respect to the Premises; and (B) any and all reports, notifications and other filings made by Tenant or any other party to any federal, state or local environmental authorities or agencies with respect to the Premises. In addition, Tenant shall provide Landlord, promptly following Tenant's receipt thereof (and without any need or requirement of a request from Landlord), true, correct and complete copies of the following which cause, create, result in, describe or are related to any material adverse risk or effect: (1) any and all environmental reports and tests obtained by Tenant; (2) any and all transportation and disposal contracts (and related manifests, schedules, reports and other information) entered into or obtained by Tenant or any other party with respect to any Hazardous Materials; and (3) any and all other applicable documents and information with respect to environmental matters relating to the Premises. In the event that any of the items (or any portions of the items) described in the foregoing clauses (1), (2) or (3) are subject to any attorney-client privilege, self-audit privilege or other privilege recognized under applicable law, Tenant shall, notwithstanding such privilege or claim of privilege, be required to deliver such excerpts or descriptions of such materials to Landlord as contain factual information (including, without limitation, descriptions of any usage, storage or disposal of Hazardous Materials, descriptions of activities or operations on the Premises, and laboratory test results) relating to any material adverse risk or effect, but Tenant shall not be required to deliver to Landlord any portions of such materials which are subject to any such privilege (for example, to the extent that such portions set forth professional opinions, recommendations or legal advice)

(b) Landlord and its agents, representatives and contractors shall have a right of entry and access to the Premises at any time during the normal business hours of Tenant with prior notice to Tenant for the purposes of (i) ascertaining the nature of the activities being conducted on the Premises and investigating whether Tenant is in compliance with its obligations under this Section 15, and (ii) determining the type, kind and quantity of all Hazardous Materials on the Premises.

In connection with any entry onto and inspection of the Premises under this Section 15, Landlord and its agents, representatives and contractors shall have the right to take samples in quantities sufficient for analysis of all Hazardous Materials present on the Premises and shall also have the right to conduct other tests and studies as may be determined by Landlord (or by such actual or prospective purchaser or lender, as applicable) in its good faith, reasonable discretion.

(c) Tenant shall reimburse, defend, indemnify and hold Landlord, and its officers, directors, shareholders, employees and agents and all other persons designated by Landlord in a written notice to Tenant and claiming an interest in the Premises by, through or under Landlord (collectively, the "Landlord Indemnified Parties"), free and harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, expenses or losses whatsoever including, without limitation, (i) any claim by any third party against any Landlord Indemnified Parties for actual or alleged personal injury (including death) or property damage, (ii) liabilities under any common law theory of tort, nuisance, strict liability, ultra hazardous activity, negligence or otherwise based upon, resulting from or in connection with any Hazardous Material, (iii) obligations to take response, cleanup or corrective action pursuant to any Environmental Laws, (iv) the costs and expenses of investigation or remediation in connection with the decontamination, removal, transportation, incineration or disposal of any Hazardous Materials, (v) any sums paid in settlement of claims, and (vi) reasonable attorneys' fees, consultants' fees and expert fees, to the extent (in the case of any of the foregoing) arising during or after the Term of this Lease as a result of or in connection with any of the following:

(i) any breach by Tenant during the Term of any of its covenants or obligations under this Section 15(c) (the parties agree that, for purposes of this paragraph (i), whether or not a breach of any covenants of Tenant shall have occurred shall be determined without regard to any standard or qualification of materiality in such covenant or obligation); and

(ii) (the presence of any Hazardous Materials on the Premises or on any other surrounding areas to the extent such Hazardous Materials are or were actually or allegedly managed, generated, stored, treated, released, disposed of or otherwise located on or at, or are released at or from, the Premises (regardless of the location at which such Hazardous Materials are now or may in the future be located or disposed of) at any time during the Term of this Lease, unless such Hazardous Materials were released as result of Landlord's or any other Landlord Indemnified Party's negligence or willful misconduct.

In the event any claim or other assertion of liability shall be made against any Landlord Indemnified Party for which such Landlord Indemnified Party is entitled to indemnity hereunder, such Landlord Indemnified Party shall notify Tenant of such claim or assertion of liability and thereupon Tenant shall, at its sole cost and expense, promptly assume the defense of such claim or assertion of liability using attorneys reasonably satisfactory to Landlord Indemnified Party and

Continue such defense at all times thereafter until completion. Tenant shall not settle any claim against any Landlord Indemnified Party without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed; provided, however, that Landlord shall not under any circumstance be obligated to consent to any settlement involving any admission of criminal liability on the part of any Landlord Indemnified Party. For so long as Tenant is defending any claim against any Landlord Indemnified Party hereunder, such Landlord Indemnified Party shall not settle any claim by a third party against such Landlord Indemnified Party without Tenant's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Any Landlord Indemnified Party shall have the right to engage its own attorneys to represent it in connection with any matter for which such Landlord Indemnified Party is entitled to indemnity hereunder, but the fees and expenses of such attorneys shall be borne by such Landlord Indemnified Party unless Tenant shall fail to conduct such defense as required hereunder, in which case the attorneys' fees and expenses of such Landlord Indemnified Party shall be borne and paid by Tenant immediately upon demand.

(d) The indemnity and defense obligations of Tenant under this Section 15 shall survive any termination or expiration of the Term of this Lease.

(e) Landlord and Tenant agree that, for purposes of this Section 15, the term "Premises" includes any and all improvements, including fixtures, and equipment and other personal property located on the Land.

(f) As used herein, the following terms have the meanings set forth below:

(i) "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations, and rules in effect and as amended from time to time relating to environmental quality, health, safety, contamination and cleanup, including, without limitation, the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. § 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; the Noise Control Act, 42 U.S.C. § 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., as amended and by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Atomic Energy Act, 42 U.S.C. § 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. § 10101 et seq.; all state and local environmental statutes and ordinances, with implementing regulations and rules, as any of the foregoing may be amended from time to time; and all common law theories relating to Hazardous Materials or protection of the environment, including, without limitation, trespass, nuisance, ultra hazardous activity, negligence and strict liability.

(ii) "Hazardous Materials" shall mean and including the following, including mixtures : (A) any substance now or at any time during the Term included within any

definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous waste," "solid waste," "infectious waste," "potentially infectious medical waste" or any other words of similar import in any Environmental Law; (B) any substance now or at any time during the Term listed in the United States Department of Transportation table or amendments thereto (49 C.F.R. § 172. 101) or by the United States Environmental Protection Agency (or any successor agency or department) as hazardous substances in 40 C.F.R. Part 302 and any amendments thereto; (C) any substances, material or waste which is or becomes at any time during the Term regulated under any applicable Environmental Law or by any federal, state or local governmental agency, board, commission or other governmental body; (D) any material, waste or substance which is any of the following: asbestos or asbestos-containing materials; polychlorinated biphenyls; radon gas; urea formaldehyde insulation; explosive; radioactive ; carcinogenic; flammable; infectious; corrosive; toxic; mutagenic; petroleum, including but not limited to crude oil or any fraction thereof, natural gas, natural gas liquids, gasoline and synthetic gas; or source, byproduct or special nuclear material as defined in the Atomic Energy Act; (E) any industrial process and pollution control waste whether or not hazardous within the meaning of RCRA; (F) any substance the presence of which requires investigation or remediation under any Environmental Law; (G) any substance the presence of which on the Premises causes or threatens to cause a nuisance upon the Premises or to any other premises or properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises or to any other premises or properties; or (H) any substance, the presence of which on any premises or properties (other than the Premises) could constitute a trespass by the owner or operator of the Premises.

(iii) "Landlord Representatives" shall mean the officers, directors, shareholders, agents and representatives of Landlord and their respective successors and assigns.

(iv) "Prohibited Activity" shall mean any of the following activities: (A) any disposal of any Hazardous Substances on the Premises or the subsurface thereof, including, without limitation, any landfill, dump or injection well; (B) any installation or operation of any underground storage tank if an above-ground storage tank is feasible and practicable in lieu of an underground storage tank; (C) any activity which is subject to a permit for operation of a treatment, storage or disposal facility under RCRA or under any like or similar Environmental Law; (D) any chemical manufacturing or chemical production; (E) any material use of radiation or radioactive materials; (F) any gasoline service station involving retail sale of gasoline or other petroleum products to the public ; (G) any dry cleaning operation that does not use a closed loop system; (H) any tank farm or other bulk storage or distribution facility for petroleum or other Hazardous Materials except for a normal and customary warehouse involving storage of materials entirely inside such warehouse; and (I) any other business or activity that creates a material adverse risk or effect.

16. Events of Default. The following events shall constitute events of default under this Lease (hereinafter, "Events of Default") :

(a) Tenant shall fail to pay any installment of Rent or other rent due hereunder within five (5) days after Tenant receives written notice from Landlord stating that Landlord did not receive the rental payment by the date it was due; or

(b) Tenant shall fail to comply with any term, condition or covenant of this Lease, other than the payment of rent, within fifteen (15) days after receipt of written notice of default from Landlord; provided, however, that if any such default cannot be reasonably cured with said fifteen (15) day period by the exercise of due diligence by Tenant, then the same shall not constitute a default hereunder if within said fifteen (15) day period Tenant commences the curing of such default and diligently prosecutes the same to completion.

17. Remedies. Upon the occurrence of any of such Events of Default, Landlord shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

(a) terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises and expel or remove Tenant and any person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim or damages therefore; and Tenant agrees to pay Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise; or

(b) enter upon and take possession of the Premises without terminating this Lease and expel or remove Tenant or any person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor, and relet the Premises and receive the rent therefor and apply all rentals received against the amounts due and owing by Tenant to Landlord; and Tenant agrees to pay Landlord on demand any deficiency that may arise for reason of such reletting; or

(c) enter upon the Premises by force if necessary without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for expenses which Landlord may incur thus effecting compliance with Tenant's obligations under this Lease and Tenant further agrees that Landlord should not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise; and

(d) Change the locks to the Premises to prohibit Tenant from having access to the Premises and/or discontinue the provision of some or all of the utility services provided to the Premises.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any of the other remedies provided at law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages occurring to Landlord by reason by the violation of any of the terms, conditions and covenants herein contained.

18. No Waiver; Additional Rights of Landlord.

(a) Failure by Landlord to insist upon the strict performance of any provision hereof or to exercise any option, right, power or remedy contained herein shall not constitute a waiver or relinquishment thereof for the future. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same or any other

Covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be construed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. Receipt by Landlord of any Base Rent, additional rent or other sums payable hereunder with knowledge of the breach of any provision hereof shall not constitute a waiver of such breach, and no waiver by Landlord of any provision hereof shall be deemed to have been made unless made in writing. Landlord shall be entitled to injunctive relief in case of the violation, or attempted or threatened violation, of any of the provisions hereof, or to a decree compelling performance of any of the provisions hereof; provided, however, Tenant does not waive any of the elements of any request for injunctive relief or any defense or other legal means to resist any request by Landlord for injunctive relief

(b) If either party shall be in default in the performance of any of its obligations hereunder and the other shall have prevailed in any litigation in respect of such default, the defaulting party shall pay to the prevailing party, on demand, all reasonable expenses incurred by the non-- defaulting party as a result thereof, including reasonable attorneys' fees and expenses and costs of collection. If Landlord shall be made a party to any litigation commenced against Tenant relating to the Premises, Tenant shall pay all costs and reasonable attorneys' fees incurred by Landlord in connection with such litigation.

19. Performance by Landlord. If Tenant shall at any time fail to perform timely any act on its part to be performed under this Lease, Landlord may (but shall not be obligated to) perform such act, including, without limitation, by paying any imposition or other tax, obtaining or maintaining any insurance, discharging any lien or performing any other act, all without further notice or demand upon Tenant and without thereby waiving or releasing any obligations of Tenant or rights of Landlord hereunder. Landlord shall not be required to inquire into the validity or correctness of amount of any such Imposition, tax or lien and shall have full authority to settle or compromise any such Imposition, tax or lien without Tenant's approval. Any reasonable costs incurred by Landlord pursuant to this Section 19 or otherwise incurred by Landlord on behalf of Tenant or to cure an omission by Tenant as expressly provided for herein shall be reimbursed to Landlord by Tenant on demand, together with all costs incurred by Landlord and interest at the rate provided in Section 3(b).

20. Authority. Landlord represents and warrants to Tenant that it has full power and authority to enter into and perform this Lease and to lease the Premises to Tenant, and that all necessary action has been taken to authorize the execution and delivery of this Lease by Landlord. Tenant represents and warrants to Landlord that it has full power and authority to enter into and perform this Lease and to lease the Premises from Landlord, and that all necessary corporate action has been taken to authorize the execution and delivery of this Lease by Tenant.

21. Property Loss, Damage, Reimbursement. Except as otherwise provided in this Lease, Landlord shall not be liable for (a) any damage to property of Tenant or of others on the Premises, nor for the loss of or damage to any property of Tenant or others by theft or otherwise, or (b) any injury or damages to persons or property resulting from any of the following happenings at or from the Premises: fire, explosion, falling plaster, steam, glass, electricity, water, rain or snow, leaks from pipes, appliance or plumbing works or from the roof of buildings, street or subsurface or from any other place or by dampness or by any other cause whatsoever, and Tenant hereby releases, waives, and relinquishes all claims which Tenant might otherwise

have or assert against Landlord on account of any such injury or damages (except that, the foregoing provision shall not apply in the case of injury or damage caused by the negligence or willful misconduct of Landlord, its agents, employees, contractors or invitees).

22. Right to Enter. Landlord shall have the right, at all reasonable times during the normal business hours of Tenant with prior notice to Tenant, to enter the Premises for the following reasons: general inspection; determining Tenant's use of the Premises, determining if an Event of Default under this Lease has occurred; showing the Premises to a prospective purchaser or tenant; or remedying any failure by Tenant to perform its covenants hereunder.

23. Waiver of Subrogation. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claim, action or cause of action, against each other, their agents, officers and employees, for any loss or damage that may occur to the Premises or to improvements or personal property thereon, by reason of fire or the elements regardless of cause or origin, including negligence of Landlord or Tenant or their agents, officers and employees, to the extent such loss or damage is compensated out of insurance proceeds. Because this paragraph will preclude the assignment of any claim mentioned in it by way of subrogation or otherwise to an insurance company or any other person, each party to this Lease agrees immediately to give to each insurance company which has issued or will issue to such party policies of insurance covering all risk of physical loss, written notice of the terms of the mutual waivers contained in this paragraph, and to have the insurance policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers contained in this paragraph.

24. Quiet Enjoyment. Upon payment of the required rents and performance of the terms, covenants and agreements contained in this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term.

25. Holding Over. In the event of holding over by Tenant after the expiration or termination of this Lease, the hold over shall be as a tenant-at-will and all of the terms and provisions of this Lease shall be applicable during that period, except that Tenant shall pay Landlord rental for the period of such hold over an amount equal to 120% of the Rent which would have been payable by Tenant had the hold over period been a part of the original Term of this Lease. The Rent payable during this hold over period shall be payable to Landlord on demand. No holding over by Tenant, whether with or without the consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided.

26. Surrender. Upon the expiration or termination of the Term of this Lease, Tenant shall surrender the Premises to Landlord. Tenant shall remove from the Premises on or prior to such expiration or termination all non-fixture personal property situated thereon which is not owned by Landlord. Property not so removed shall, at Landlord's option, become the property of Landlord, and if subsequently disposed of by Landlord the proceeds of such disposition shall become the property of Landlord, and Landlord may cause such property to be removed from the Premises and disposed of, but the cost of any such removal and disposition and of repairing any damage caused by such removal shall be borne by Tenant.

27. Indemnification. Tenant shall pay, and shall protect, indemnify and save harmless Landlord, its officers, directors, employees, agents and representatives from and against, all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature arising from or relating to the actions or inactions of Tenant, its agents, employees, contractors or invitees as follows: (a) injury to or death of any person, or damage to or loss of property, on the Premises or on adjoining sidewalks, streets or ways, or otherwise connected with the use, condition or occupancy of the Premises, (b) any breach by Tenant of any of its obligations under this Lease, (c) any contest referred to in Section 8, (d) any damage or injury to Landlord or any other property or any person on the Premises, (e) any damage or injury to the Premises or Landlord by reason of any act or thing done by Tenant (or any of the foregoing related parties) or any condition on the Premises, (f) any other action or inaction of Tenant relating to the Premises, or (g) any other matters which arise during the Term in respect of the Premises, in the case of any of the foregoing, except if such matter arises due to the negligence or willful misconduct of Landlord, its agents, employees, contractors or invitees. The provisions of this Section 27 shall survive the expiration or sooner termination of this Lease.

28. Landlord's Liability. Notwithstanding anything in this Lease to the contrary, Tenant hereby agrees that the liability of Landlord hereunder in the event of a claim against Landlord shall extend only to Landlord's interest in the Premises. Except to such extent, no recourse whatsoever shall be had under this Lease against (a) Landlord, or any incorporator or any stockholder, officer, director, employee or agent of Landlord or any predecessor or successor corporation, (b) any legal representative, heir, successor or assign of any thereof, or (c) any assets of Landlord other than its interest in the Premises. Tenant shall not sue to recover damages for a default by Landlord hereunder until after first providing Landlord with at least thirty (30) days prior written notice of the basis thereof and the opportunity to cure same within such thirty (30) day period.

29. Notices. All notices, demands, designations, certificates, requests, offers, consents, approvals and other instruments given pursuant to this Lease shall be given by personal delivery (provided a signed receipt therefor is obtained), overnight courier service or prepaid registered or certified mail, as follows:

If to Landlord:

GHMR Operations, LLC

Attn: Gary Humphreys

4413 Carey Street

Fort Worth, TX 76119

If to Tenant:

Maalt, LP

Attn: Marty Robertson

4413 Carey Street

Fort Worth, TX 76119

Or to such other person or address as either party shall specify by written notice to the other party. All notices hereunder shall be deemed given when received.

30. Subordination Attornment; Notice to Landlord's Mortgagee.

(a) This Lease shall be subordinate to any first lien deed of trust, mortgage, or other security instrument (a "Mortgage"), or any ground lease, master lease, or primary lease (a "Primary Lease"), that now or hereafter covers all or any part of the Premises (the mortgagee under any Mortgage or the lessor under any Primary Lease is referred to herein as "Landlord's Mortgagee"), and Tenant shall within three (3) days after receiving a request from Landlord or Landlord's Mortgagee, execute such agreements confirming such subordination as such party may reasonably request.

(b) Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall within three (3) days after receiving such party's request shall execute such agreements confirming such attornment as such party may reasonably request.

(c) Tenant shall not seek to enforce any remedy it may have for any default on the part of the Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder.

31. Estoppel Certificates. Tenant or Landlord will, from time to time, upon fifteen (15) days' prior written notice from the other party, execute, acknowledge and deliver to the other party a certificate stating that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which the Rent, additional rent and other sums payable hereunder have been paid, and either stating that, to the knowledge of the signer of such certificate, no default exists hereunder or specifying each such default of which the signer has knowledge and the steps being taken to remedy same. Any such certificate may be relied upon by the parties hereto and any prospective mortgagee or purchaser of the Premises.

32. Severability. Each provision hereof shall be separate and independent and the breach of any such provision by Landlord shall not discharge or relieve Tenant from its obligations to perform each and every covenant to be performed by Tenant hereunder. If any provision hereof or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforceable to the maximum extent permitted by law.

33. Successors and Assigns. All provisions contained in this Lease shall be binding upon, inure to the benefit of and be enforceable by, the respective legal representatives, successors and assigns of Landlord and Tenant to the same extent as if each such legal representative, successor and assign were named as a party hereto.

34. Amendments. This Lease may not be changed, modified or discharged except by a writing signed by Landlord and Tenant.

35. Governing Law. This Lease shall be governed by the laws of the State of Texas.

36. Entire Agreement. Except as otherwise provided in this Lease: no oral statement or prior written matter relating to the subject matter of this Lease shall have any force or effect, and all such statements and matters shall merge herein and be superseded hereby; and Tenant agrees that it is not relying on any representations or agreements other than those contained in this Lease, if any.

37. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

38. Damage or Destruction .

(a) In the event that the Premises shall be damaged or destroyed by fire or other casualty insurable under the standard fire and extended coverage insurance, then, provided at least eighteen (18) months remain within the Term and provided that, in the opinion of Landlord's architect, the Premises can be restored to usability within 120 days, Landlord shall proceed with reasonable diligence at its sole cost and expense to rebuild and repair the Premises. If the improvements shall be damaged or destroyed by uninsurable casualty, if, in the opinion of Landlord's architect, the Premises cannot be restored to usability within 120 days, or if less than eighteen (18) months remain within the Term, then this Lease shall terminate effective of the date of such casualty unless Landlord shall give Tenant written notice within 60 days after the date of the casualty that Landlord undertakes to rebuild and repair the Premises. Except as otherwise agreed in writing by Tenant, Tenant may terminate this Lease in the event that the Premises are not actually restored to usability within 120 days after the occurrence of such casualty.

(b) Landlord's obligation to rebuild and repair hereunder shall in any event shall be limited to restoring the improvements to substantially the condition in which they existed prior to the casualty, and Tenant agrees that promptly after completion of such work by Landlord it will proceed with reasonable diligence at its own cost and expense to rebuild, repair and restore its signs, fixtures, equipment and other items installed by Tenant. Rent shall abate for any period of time the Premises are substantially unusable by Tenant by reason of such casualty.

39. Security Deposit. No security deposit is required hereunder.

40. Signage. Tenant shall, during the Term of this Lease, have the right to maintain signs at the Premises advertising Tenant's business; provided that such signage shall conform in all respects to the rules and regulations imposed by the City of Dilleys, Texas.

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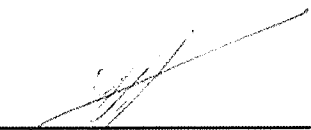
IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed and delivered as of the date first above written.

LANDLORD:

X 

Gary Humphreys
GHMR Operations, LLC

TENANT:

X 

Marty Robertson
Maalt, LP

EXHIBIT "A"

THE PREMISES

EXHIBIT E

Inv#	Lease Name	Amount
1549	Tolar Min. Royalties	\$ 99,822.40
1566	Tolar Min. Royalties	\$ 228,011.45
1590	Tolar Min. Royalties	\$ 180,813.96
1612	Tolar Min. Royalties	\$ 195,964.16
1634	Tolar Min. Royalties	\$ 212,603.68
1651	Tolar Min. Royalties	\$ 134,307.12
1669	Tolar Min. Royalties	\$ 192,878.32
1684	Tolar Min. Royalties	\$ 63,587.20
1685	Tolar Min. Royalties	\$ 59,956.80
1698	Tolar Min. Royalties	\$ 122,880.00
1707	Tolar Min. Royalties	\$ 36,864.00
1734	Tolar Min. Royalty	\$ 122,880.00
1713	Tolar Min. Royalty	\$ 122,880.00
1707	Tolar Min. Royalty	\$ 86,016.00
	Property Taxes	\$615,000.00
Total		\$ 2,474,465.09

GHMR Operations, LLC

1311 Ranchers Legacy Trl

TX 76126 US

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1669	03/31/2020	\$192,878.32	03/31/2020	

SHIP DATE

03/31/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	76,088.58	4.00	304,354.32

PAYMENT

111,476.00

BALANCE DUE

\$192,878.32

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1651	02/29/2020	\$134,307.12	02/29/2020	

SHIP DATE

02/29/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	61,445.78	4.00	245,783.12

PAYMENT

111,476.00

BALANCE DUE

\$134,307.12

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1634	01/31/2020	\$212,603.68	01/31/2020	

SHIP DATE

01/31/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	81,019.92	4.00	324,079.68
		PAYMENT			111,476.00
		BALANCE DUE			\$212,603.68

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1612	12/31/2019	\$195,964.16	12/31/2019	

SHIP DATE

12/31/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	76,860.04	4.00	307,440.16

PAYMENT

111,476.00

BALANCE DUE

\$195,964.16

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1590	11/30/2019	\$180,813.96	11/30/2019	

SHIP DATE

11/30/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	73,072.49	4.00	292,289.96

PAYMENT

111,476.00

BALANCE DUE

\$180,813.96

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1566	10/31/2019	\$228,002.45	10/31/2019	

SHIP DATE

10/31/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	84,869.69	4.00	339,478.76

PAYMENT

111,476.31

BALANCE DUE

\$228,002.45

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1549	09/30/2019	\$99,822.40	09/30/2019	

SHIP DATE

09/30/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	81,340.94	4.00	325,363.76

PAYMENT

225,541.36

BALANCE DUE

\$99,822.40

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1707	06/15/2020	\$122,880.00	06/15/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Minimum Royalty	1	122,880.00	122,880.00
		BALANCE DUE			\$122,880.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1698	05/31/2020	\$122,880.00	05/31/2020	

SHIP DATE

05/31/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Minimum Royalty	1	122,880.00	122,880.00
		BALANCE DUE			\$122,880.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1685	04/30/2020	\$59,956.80	04/30/2020	

SHIP DATE

04/30/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar tons @\$4.00 per ton	1	59,956.80	59,956.80

BALANCE DUE

\$59,956.80

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1684	04/30/2020	\$63,587.20	04/30/2020	

SHIP DATE

04/30/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Billable Tolar Tons @ \$4.00 per Ton	15,896.80	4.00	63,587.20

BALANCE DUE

\$63,587.20

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1707	06/15/2020	\$122,880.00	06/15/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Minimum Royalty	1	122,880.00	122,880.00
		BALANCE DUE			\$122,880.00

1st - 9th - \$34,864.⁰⁰ ~~24~~

10th - 30th - \$88,016.⁰⁰ ~~24~~

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1713	07/13/2020	\$122,880.00	07/13/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Minimum Royalty	1	122,880.00	122,880.00
		BALANCE DUE			\$122,880.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1734	08/18/2020	\$122,880.00	08/18/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Monthly Rental Fee	Tolar Minimum Royalty	1	122,880.00	122,880.00
		BALANCE DUE			\$122,880.00

EXHIBIT F

Inv#	Lease Name	Amount
1680	Dilley Transload	\$ 132,500.00
1697	Dilley Transload	\$ 132,500.00
1606	Dilley Transload	\$ 100,000.00
1611	Dilley Transload	\$ 77,500.00
1668	Dilley Transload	\$ 50,000.00
1654	Dilley Transload	\$ 27,500.00
1660	Dilley Transload	\$ 27,500.00
1667	Dilley Transload	\$ 27,500.00
1652	Dilley Transload	\$ 24,842.00
1635	Dilley Transload	\$ 22,500.00
1558	Dilley Transload	\$ 2,342.00
1605	Dilley Transload	\$ 2,342.00
1623	Dilley Transload	\$ 2,342.00
1637	Dilley Transload	\$ 2,342.00
1559	Dilley Transload	\$ 780.67
1565	Dilley Transload	\$ 780.67
1182	Dilley Transload	\$ 780.66
1708	Dilley Transload	\$ 39,750.00
1730	Dilley Transload	\$ 132,500.00
1715	Dilley Transload	\$ 132,500.00
1708	Dilley Transload	\$ 92,750.00
	Property Taxes	\$ 100,000.00
Total		\$ 1,131,552.00

GHMR Operations, LLC

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Invoice

BILL TO

Maalt, L.P.

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Fort Worth, TX 76119

SHIP TO

Maalt, L.P.

Maalt, L.P.

INVOICE

1697

DATE

05/20/2020

TOTAL DUE

\$132,500.00

DUE DATE

05/20/2020

ENCLOSED

SHIP DATE

05/20/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars				
		Dilley Minimum May 2020 - No Trains Arrived in May	1	132,500.00	132,500.00
				0.00	0.00
		BALANCE DUE			\$132,500.00

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INVOICE

1680

DATE

04/27/2020

TOTAL DUE

\$132,500.00

DUE DATE

04/27/2020

ENCLOSED

SHIP DATE

04/27/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars				
		Dilley Minimum April 2020 (0) Trains	1	132,500.00	132,500.00
				0.00	0.00
				BALANCE DUE	\$132,500.00

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SHIP TO

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1708	06/15/2020	\$132,500.00	06/15/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum June 2020 - No Trains Arrived in May	1	132,500.00	132,500.00
		BALANCE DUE			\$132,500.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1667	03/19/2020	\$27,500.00	03/19/2020	

SHIP DATE

03/19/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 10 - 2020- Arrived March 23, 2020	110	250.00	27,500.00
		BALANCE DUE			\$27,500.00

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INVOICE

1660

DATE

03/17/2020

TOTAL DUE

\$27,500.00

DUE DATE

03/17/2020

ENCLOSED

SHIP DATE

03/17/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 9 - 2020- Arrived March 13, 2020	110	250.00	27,500.00
BALANCE DUE					\$27,500.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1654	03/04/2020	\$27,500.00	03/04/2020	

SHIP DATE

03/04/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 8 - 2020- Arrived March 4, 2020	110	250.00	27,500.00
		BALANCE DUE			\$27,500.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1558	10/09/2019	\$2,342.00	10/09/2019	

SHIP DATE

10/09/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 73 2019- Arrived Ocrober 9, 2019	110	250.00	27,500.00
		PAYMENT			25,158.00
		BALANCE DUE			\$2,342.00

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INVOICE

1559

DATE

10/13/2019

TOTAL DUE

\$780.67

DUE DATE

10/13/2019

ENCLOSED

~~SHIP DATE~~

10/13/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 74 2019- Arrived Ocrober 13, 2019	110	250.00	27,500.00
		PAYMENT			26,719.33
		BALANCE DUE			\$780.67

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INVOICE

1565

DATE

10/23/2019

TOTAL DUE

\$780.67

DUE DATE

10/23/2019

ENCLOSED

SHIP DATE

10/23/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 75 2019- Arrived Ocrober 23, 2019	110	250.00	27,500.00
		PAYMENT			26,719.33
		BALANCE DUE			\$780.67

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INVOICE

1582

DATE

11/03/2019

TOTAL DUE

\$780.66

DUE DATE

11/03/2019

ENCLOSED

SHIP DATE

11/03/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 76 2019- Arrived November 3, 2019	110	250.00	27,500.00
		PAYMENT			26,719.34
		BALANCE DUE			\$780.66

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1623	01/13/2020	\$2,342.00	01/13/2020	

SHIP DATE

01/13/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 2 - 2020- Arrived January 13, 2020	110	250.00	27,500.00
		PAYMENT			25,158.00
		BALANCE DUE			\$2,342.00

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1637

DATE

02/07/2020

TOTAL DUE

\$2,342.00

DUE DATE

02/07/2020

ENCLOSED

SHIP DATE

02/07/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	RHCDIS17 Train # 5 - 2020- Arrived February 7, 2020	110	250.00	27,500.00
		PAYMENT			25,158.00
		BALANCE DUE			\$2,342.00

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INVOICE

1652

DATE

02/29/2020

TOTAL DUE

\$24,842.00

DUE DATE

02/29/2020

ENCLOSED

SHIP DATE

02/29/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars				
		RHCDIS17 Train # 7 - 2020- Arrived February 29, 2020	110	250.00	27,500.00
		PAYMENT			2,658.00
		BALANCE DUE			\$24,842.00

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INVOICE

1606

DATE

12/16/2019

TOTAL DUE

\$100,000.00

DUE DATE

12/16/2019

ENCLOSED

SHIP DATE

12/16/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum October (3 Trains)	1	50,000.00	50,000.00
	Rail Cars	Dilley Minimum November (3 Trains)	1	50,000.00	50,000.00

BALANCE DUE

\$100,000.00

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1611

DATE

12/31/2019

TOTAL DUE

\$77,500.00

DUE DATE

12/31/2019

ENCLOSED

SHIP DATE

12/31/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum December (2 Trains)	1	77,500.00	77,500.00
BALANCE DUE					\$77,500.00

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1635

DATE

01/31/2020

TOTAL DUE

\$22,500.00

DUE DATE

01/31/2020

ENCLOSED

SHIP DATE

01/31/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum January 2020 (4 Trains)	1	22,500.00	22,500.00
				0.00	0.00
		BALANCE DUE			\$22,500.00

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1668

DATE

03/31/2020

TOTAL DUE

\$50,000.00

DUE DATE

03/31/2020

ENCLOSED

SHIP DATE

03/31/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars				
		Dilley Minimum March 2020 (3 Trains)	1	50,000.00	50,000.00
				0.00	0.00
		BALANCE DUE			\$50,000.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1708	06/15/2020	\$132,500.00	06/15/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum June 2020 - No Trains Arrived in May	1	132,500.00	132,500.00
BALANCE DUE					\$132,500.00

1st - 9th - \$39,750. ~~24~~

10th - 30th - \$92,750

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1715	07/13/2020	\$132,500.00	07/13/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum July 2020 - No Trains Arrived in June	1	132,500.00	132,500.00
		BALANCE DUE			\$132,500.00

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INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
1730	08/18/2020	\$132,500.00	08/18/2020	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Rail Cars	Dilley Minimum August 2020 - No Trains Arrived in July	1	132,500.00	132,500.00
BALANCE DUE					\$132,500.00

EXHIBIT G

Inv#	Lease Name	Amount
13	Monahans Apartments	\$ 76,455.91
14	Monahans Apartments	\$ 76,455.91
15	Monahans Apartments	\$ 76,455.91
16	Monahans Apartments	\$ 76,455.91
17	Monahans Apartments	\$ 73,998.00
18	Monahans Apartments	\$ 73,998.00
19	Monahans Apartments	\$ 73,998.00
1002	Monahans Apartments	\$ 33,300.00
1002	Monahans Apartments	\$ 77,700.00
1006	Monahans Apartments	\$ 111,000.00
1007	Monahans Apartments	\$ 111,000.00
1561	Property Taxes	\$187,460.59
	Total	\$1,048,278.23