

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

ROBYN COFFEY, on behalf of herself
and all others similarly situated,

Plaintiff,

vs.

CHESAPEAKE EXPLORATION, L.L.C.,
and CHESAPEAKE OPERATING, INC.

Defendant.

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Civil Action No. CIV-10-1054 -C

JURY DEMANDED

PLAINTIFF’S ORIGINAL CLASS ACTION COMPLAINT

COMES NOW, ROBYN COFFEY, individually and on behalf of those similarly situated (hereinafter collectively referred to as “Plaintiff”), and asserts the following causes of action against CHESAPEAKE EXPLORATION L.L.C., (hereinafter referred to as “Defendant”).

PARTIES

1. Plaintiff, ROBYN COFFEY, is a resident of Tarrant County, Texas.

2. Defendant CHESAPEAKE EXPLORATION, L.L.C. (hereinafter referred to as “Chesapeake”) is an Oklahoma Domestic Limited Liability Company doing business in the state of Oklahoma. Chesapeake may be served with process by serving its Registered Agent, The Corporation Company, 1833 S. Morgan Road, Oklahoma City, Oklahoma 73128.

3. Defendant CHESAPEAKE OPERATING, INC. (hereinafter referred to as “Chesapeake Operating”) is an Oklahoma Domestic Limited Liability Company doing business in the state of Oklahoma. Chesapeake may be served with process by serving its Registered Agent, The Corporation Company, 1833 S. Morgan Road, Oklahoma City, Oklahoma 73128.

JURISDICTION AND VENUE

4. This Court has jurisdiction pursuant to 28 U.S.C. § 1332 in that there exists complete diversity of citizenship between all of the parties to this action and the amount in controversy exclusive of interest and costs exceeds the sum or value of \$75,000.

5. This Court also has jurisdiction pursuant to 28 U.S.C. § 1332(d)(2) in that there exists diversity of citizenship between Plaintiff ROBYN COFFEY, a Texas resident, and the Oklahoma Defendants and the aggregate amount in controversy of the purported exceeds \$5,000,000.00.

6. Venue is proper in the Western District of Oklahoma under 28 U.S.C. § 1391 because (a) Defendant Chesapeake's and Defendant Chesapeake Operating's principle place of business are in Oklahoma and are deemed to reside in this District because they are subject to personal jurisdiction in this District at the time this action commenced; and (b) part of the events or omissions giving rise to Plaintiff's claims occurred in Oklahoma and in this District.

FACTS

7. Plaintiff ROBYN COFFEY is a resident of Tarrant County, Texas and an owner of a mineral interest under a tract of land (the leased acreage) in Tarrant County, Texas, which is generally described in the lease attached hereto as Exhibit "A". All other class members are the owners of gas and minerals under various tracts of land all of which overly oil and gas deposits in what is known as the Barnett Shale formation also known as the Newark East Formation.

8. Chesapeake Operating began drilling the White Lake Hills 1H well on April 5, 2007 which was completed on April 24, 2007. The well is a gas well, which means that it predominantly produces natural gas and associated fluids. The well is drilled into the extensive Newark East field a/k/a the Barnett Shale. The Barnett Shale formation covers large portions of northern Texas and southern Oklahoma. Subsequently, Chesapeake Operating began drilling the White Lake Hills 2H well on August 1, 2007 and completed it on August 30, 2007. In 2009 Chesapeake Operating began a four well consecutive drilling program on the lease. They began drilling the White Lake Hills 8H well on June 17, 2009 and completed it on June 30, 2009. They then drilled the White Lake Hills 5H well beginning on June 30, 2009 and completing it on July 16, 2009. They then drilled the White Lake Hills 7H well beginning on July 18, 2010 and completing it on August 3, 2009. They then drilled the White Lake Hills 6H well beginning on August 8, 2009 and completing it on August 18, 2009. Plaintiff has a mineral interest in each of these wells.

9. The gas that is produced from Plaintiffs lease and leases of the putative class members is some of the richest gas in the United States. In fact, the gas produced from the leases is extremely valuable because of the high demand for the component liquids that fall out of the vapor, not only at the wellhead, but also through processing or cooling measures. The components in the gas produced from the leases include, but are not limited to, hexane, butane, propane and other components.

10. The gas from the above referenced well plus multiple other wells operated by Chesapeake is gathered, processed and marketed by Chesapeake Energy Marketing, Inc., a wholly owned subsidiary of Chesapeake.

11. ROBYN COFFEY's royalty under her lease is to be paid as follows:

on gas, including casinghead gas or other gaseous substances produced from said land or sold or used off the premises or for the extraction of gasoline or other products therefrom, the market value at the point of sale of 20% of the gas so sold or used. However, in no event shall the royalty paid to Lessor be less than the Lessor's royalty share of the actual amount realized by the Lessee from the sale of oil and/or gas. Notwithstanding anything to the contrary herein contained, all royalty paid to Lessor shall be free of all costs and expenses related to the exploration, production and marketing of oil and gas production from the lease including, but not limited to, costs of compression, dehydration, treatment and transportation. Lessor will, however, bear a proportionate part of all those expenses imposed upon Lessee by its gas sale contract to the extent incurred subsequent to those that are obligations of Lessee.

See Exhibit "A".

12. Chesapeake and/or Chesapeake Operating owe an obligation to Plaintiff to pay royalties based on the terms of her lease as above stated. Instead of paying royalty based upon the full value of natural gas, inclusive of hydrocarbons processed and sold separately from the gas stream, Chesapeake Operating employs a scheme whereby the gas is first transferred to its gathering subsidiary, Chesapeake Energy who ostensibly conducts the first true sale to a bona fide third party purchaser. Chesapeake Operating is paid a fictitious price by its wholly owned subsidiaries which is substantially less than 100% of the price received from the first bona fide purchaser and also substantially less than either the market value at well as the amount actually received by Chesapeake Operating. The fictitious price received by Chesapeake Operating is ultimately utilized by Chesapeake Operating to compute royalties due Plaintiff as well as those due all putative members of the class resulting in a substantial underpayment of royalties. It

appears the underpayment of royalties by Chesapeake Operating is actually accomplished via a scheme that is in fact designed to charge an excess amount of post production expenses to the Plaintiffs.

13. In addition, Defendant pays royalties based on less than the actual amount of gas sold from the lease. Based on a review of the amount of natural gas reported to the Texas Railroad Commission as being delivered to a transmission pipeline compared to the amounts stated on the statements received from Chesapeake Operating, ROBYN COFFEY has been shorted royalties on 65,055 MCF of gas from May 2007 through June 2010 for the six wells that she has an interest in. It is likely that this failure to pay royalties is continuing since June 2010. The amount of the underpayment for this portion of these well is \$76.35. Assuming that the royalty interest for all royalty holders in these wells are the same as Mrs. Coffey's, a 1/5th royalty, Chesapeake Operating has shorted the mineral interest owners over \$71,117 for these six wells over this time period. See Exhibit "B".

CAUSES OF ACTION

I. Breach of Contract

14. Plaintiff incorporates paragraphs 1 through 14.

15. The conduct of Defendant described herein constitutes a breach of contract. The leases that form the underlying contractual relationship between Defendant and Plaintiff are substantially identical with regard to the royalties to be paid by Defendant to Plaintiff on natural gas. Specifically, the leases in question obligate Defendant to pay Plaintiff royalties on natural gas equal to the royalty share of the net proceeds of all gas sold by Defendants on the lease and the market value of such gas at the well for gas sold

off the lease. In point of fact, the market value at the well is the same as the net proceeds received by Chesapeake Operating and has been treated as such by Chesapeake Operating for all wells from which class gas has been produced for all time periods material to this cause of action.

16. Royalty should at all times material hereto have been and still should be calculated on the basis of the amounts received by Defendant for the sale of the gas, including the pipeline quality gas and associated liquids, from unrelated third parties in true arms length transactions.

17. Defendant has paid royalties on an artificially contrived sales price via phantom transactions with related entities in order to conceal the actual amounts to which Plaintiff has been and is entitled. Plaintiff has not had actual or constructive knowledge of these activities, nor could such knowledge have been achieved through the exercise of reasonable diligence.

II. Breach of Implied Covenant to Market Production From the Wells

18. In Texas, there exists an implied covenant to reasonably manage and administer oil and gas leases. Included within this obligation is the duty to reasonably market production from the lease when the lease calls for payment in terms of proceeds or amounts received. As lessee and operator of the subject properties, Defendant is and has been obligated to market production from the leases in accordance with the standard of a reasonably prudent operator as required by the implied covenant to reasonably market that is inherent in each lease containing an obligation to pay proceeds/amounts received by the lessor. Defendant has breached its obligation to reasonably market the

gas produced from Plaintiffs lease and those of putative class members by entering into marketing and processing agreements with affiliated entities that offer less favorable terms than would have been available via transactions negotiated with independent third parties. Instead of marketing the gas produced from the premises with due diligence and for the best price reasonably possible, upon information and belief, Defendant has sold the gas produced from the leased premises to affiliated entities for artificially low prices in an effort to profit from the difference in correspondingly lower royalty payments and higher actual prices for the gas produced.

19. As a result of the Defendants' failures to market, Plaintiff has suffered damages equal to the difference between the royalty that would have been paid on the price that could have been achieved in an arms-length transaction and the royalty that Plaintiff was actually paid based on affiliated sales price.

III. Estoppel

20. Defendant during all times material hereto has computed and paid royalty to Plaintiff and all putative class members using an identical formula inclusive of pricing, deductions and all other computations that go into paying royalties. Defendant should thus be estopped from claiming that any differences exist in the leases of Plaintiff and putative class members inclusive of royalty obligations that would prevent the claims of all Plaintiffs from being typical and common on one another.

ATTORNEYS' FEES, COSTS AND INTEREST

21. Plaintiff asserts a cause of action for reasonable and necessary attorneys fees incurred in the prosecution of one or more causes of action set forth above pursuant to all statutes and common law which provide for the recovery of attorneys' fees.

22. Plaintiff also seeks recovery of Court costs, prejudgment and post-judgment interest, and all other relief to which they may show themselves justly entitled.

CLASS ACTION ALLEGATIONS

23. Plaintiff brings this action pursuant to Fed. R. Civ. P. 23(a) and (b)(2) and (b)(3) on behalf of the named Plaintiff and on behalf of a class made up of:

All persons, including individuals, estates, trusts, corporations, partnerships, and other business entities who are paid royalties by any Defendant on oil and/or natural gas produced from real property where production occurs from the Barnett Shale formation.

Excluded from the class are: (1) Defendants and all directors, officers, agents and employees of Defendants; (2) claims by any person or entity who timely opts out of this proceeding; (3) all currently serving federal district court judges, their current spouses, and all persons (and their current spouses) within the third degree of consanguinity to such federal district court judges and spouses; (4) any person who has given a valid release concerning the claims asserted in this suit.

24. The class is so numerous that joinder of all members is impracticable. Based upon Chesapeake's 2009 Annual Report it has drilled more than 1,100 wells in the Barnett Shale and enough leases to drill an additional 2,400 wells. Upon information and belief, Plaintiff alleges that in excess of 1000 persons, corporations, and/or other entities are members of the class.

25. There are questions of law and fact common to all members of the class that predominate over any questions affecting only individual class members.

26. The principal issues of fact and law common to the class include, but are not limited to:

- a.** The entitlement of the class members to a monetary royalty share from the subject sales of natural gas, natural gas liquids, and other substances by defendant to be calculated based upon the net or gross proceeds of the sale of all such natural gas;
- b.** The entitlement of the class members to receive proper and timely royalty payments attributable to such sales of natural gas, natural gas liquids, and other substances by Defendant;
- c.** Whether the Defendant had a contractual duty and obligation to accurately calculate class members' royalties based upon the net or gross proceeds of the sale of all such natural gas, and if so, whether the Defendant breached that duty;
- d.** Whether the conduct of Defendant was fraudulent in creating and perpetrating a scheme involving the payment of royalties based upon fictitious sales prices created by related transactions instead of the true net or gross proceeds of the sale of all such natural gas without disclosing such conduct to Plaintiff;
- e.** Whether Defendant breached the implied covenant to reasonably market gas and associated products produced from its Barnett Shale properties;
- f.** Whether Plaintiffs are entitled to interest and/or attorney fees for the late payments; and,
- g.** Whether Plaintiffs are entitled to an accurate accounting and restitution from Defendant.

27. The claims of the representative Plaintiff are typical of the claims of each member of the class and are based on and arise out of the identical facts constituting the wrongful conduct of the Defendant.

28. The named Plaintiff will fairly and adequately protect the interests of the class and the individual class members in the prosecution of this action and in the administration of all matters relating to claims stated herein. The named Plaintiff is similarly situated with and has suffered injuries similar to the other members of the class. By reason of such similarities of the claims of Plaintiff and the individual class members, the successful assertion of Plaintiff's claims herein will necessarily establish determinations of facts and law adequate to prove the liability of the Defendant as to each class member. To that end, the named Plaintiff has retained counsel experienced in handling class action suits involving similar claims to those herein asserted. Neither the named Plaintiff nor her counsel have any interest that might cause them not to vigorously pursue this action.

29. Defendant has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole.

30. The questions of law or fact common to the members of the class predominate over any questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Further, the expense and burden of individual litigation make it highly impractical, if not impossible, for the class members to individually redress the wrongs done to them. Upon information and belief, Plaintiff alleges that there is not now any litigation pending considering the same claims raised by this Complaint. Finally, there will be no difficulty in the management of this action as a class action.

DISCOVERY RULE

31. Plaintiff alleges that the failure of the Defendant to pay the Plaintiff the royalties to which they have been entitled has been inherently undiscoverable so that the discovery rule has tolled the applicable statutes of limitations on all of the Plaintiff's claims.

REQUESTS FOR JURY TRIAL

32. Plaintiff respectfully requests a jury trial in this cause.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the class of all others similarly situated within the States of Oklahoma and Texas, respectfully prays:

- A. That this Court certify this case as a class action pursuant to Fed. R. Civ. P. 23(a) and 23(b)(2) and (b)(3) and order appropriate notice to be directed to members of the class;
- B. That this Court order Defendant to render an appropriate accounting on the subject sales and disposition of natural gas extracted and sold by Defendant upon which royalties were paid to the Plaintiff class members;
- C. For compensatory damages equal to the amounts improperly withheld from the members of the class plus interest;
- D. For attorneys fees and costs; and,
- E. For such other relief, both legal and equitable, to which Plaintiff may show justly entitled.

Dated: September 23, 2010

Respectfully submitted,

THE WEST LAW FIRM
ATTORNEYS FOR PLAINTIFF

s/ Bradley C. West

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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18TH day of April, 2005, between

EACH OF THE PARTIES IDENTIFIED AS LESSOR ON EACH SCHEDULE I HERETO

as Lessor, whose address is: as set forth on Schedule I hereto for each Lessor, and **FOUR SEVENS OIL CO., Ltd.**, Lessee, 777 Taylor Street, Suite 1090, Fort Worth, TX 76102

WITNESSETH:

1. Lessor in consideration of ten dollars and other valuable consideration, Ten Dollars and Other Good and Valuable Consideration (\$10.00 & OGVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, the following described land in ~~Johnson~~-County, Texas, to-wit:

TARRANT ALC

Being a portion of the White Lake Hills subdivision an addition to the City of Fort Worth, Tarrant County, Texas and being part of the W. L. Tandy Survey, A- 1538, the C.E.P. & M. R.R. Co. Survey, A- 1783, the J.W. Haynes Survey, A- 764, the W.F. White Survey, A-2020, the A.C. Warren Survey, A-1686, the J. Brockman Survey, A-102 and the W.F. White Survey, A-2019 all of Tarrant County, Texas; said White Lake Hills subdivision being more particularly described in the following Plat records: Volume 388-37, Page 7 dated August 24, 1964; Volume 388-37, Page 57 dated February 4, 1965; Volume 388-40, Page 1 dated January 5, 1965; Volume 388-31, Page 49 dated May 9, 1962; Volume 388-25, Page 85, dated October 27, 1961; Volume 388-100, Page 6 dated July 28, 1975; Volume 388-35, Page 33 dated February 13, 1964; Volume 388-62, Page 15 dated January 19, 1971; Volume 388-65, Page 47 dated June 21, 1971; Volume 388-43, Page 91 dated August 3, 1967; Volume 388-87, Page 27 dated December 2, 1964; Volume 388-41, Page 53 dated September 30, 1966; Volume 388-17, Page 457 dated May 15, 1962; Volume 388-27, Page 321 dated August 2, 1963; Volume 388-27, Page 661 dated February 11, 1964; Volume 388-28, Page 405 dated January 4, 1965; Volume 388-29, Page 511 dated June 7, 1966; Volume 388-30, Page 279 dated January 3, 1967; Volume 38830, Page 465 dated March 30, 1967; Volume 388-46, Page 439 dated May 16, 1968; Volume 388-46, Page 583 dated July 8, 1968. The leased premises comprise all of the lands collectively described on Schedule I attached hereto opposite the heading "Lands Covered by this Lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included with the boundaries of the land particularly described above.

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

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipelines to which Lessee may connect its wells, the equal 20% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 20% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 20% of the cost of treating oil to render it marketable pipe line oil; (b) to pay Lessor for gas and casinghead gas produced from said land (1) when sold by Lessee, 20% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, 20% of the amount realized from the sale of gasoline or other products extracted therefrom and 20% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If at the expiration of the primary term or at any time or times hereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow line, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited or paid directly to lessor or their successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or other of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in one or more strata, and as to gas in any one or more strata. The units formed by pooling as to gas shall not be larger than those specified for oil. The units formed by pooling as to gas shall not be larger than those specified for oil.

the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of the lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at anytime being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

~~9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.~~

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation, including zoning or permitting rules of any governmental authority or failure of local government to issue a drilling permit upon request by Lessee notwithstanding the exercise by Lessee of its commercially reasonable efforts to comply in a timely and diligent manner with all requirements of a local government with regard to the issuance of a drilling permit, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

11. Notwithstanding anything to the contrary in this lease, Lessee is hereby granted the right, at its option, either before or after production is established, to place any land covered by this lease in a co-operative with the other land, lease or leases, for the exploration and development of all lands included in such co-operative, on such conditions as Lessee may consider prudent. Any such co-operative formed by Lessee shall consist of such amount of acreage, configuration and number of wells, as Lessee shall determine at the exercise of Lessee's reasonable judgment, including Lessee's modification, rearrangement, enlargement, and reduction of such co-operative. If all or a portion of lands covered by this Lease, is included in a co-operative, then royalty shall be paid on a surface acreage basis, that is on the basis that the number of acres covered by this lease that is included in the co-operative bears to the total number of acres in the co-operative.

12. Notwithstanding anything to the contrary in this lease, Lessee agrees there shall be no drilling or surface operations on any of the lands covered by this Lease.

13. This Lease may be executed in any number of counterparts of each of the Lessors as identified on Schedule I hereto and each counterpart of Schedule I hereto so executed shall have the same force and effect as an original instrument and as if all the parties to the aggregate counterparts had signed the same instrument to be filed for record in the records of the County Clerk of Tarrant County, Texas.

EXHIBIT "A"

14. Notwithstanding anything to the contrary, Lessee may not pool any part of Lessor's acreage unless all of Lessor's acreage is included in any such pooled unit. No creation of a pooled unit or dissolution of a pooled unit including Lessor's land shall be effective until a copy of the recorded designation is furnished to the Lessor at the above address.

15. This Lease is limited to those depths from the surface of the ground to one hundred feet (100') below the base of the Barnett Shale formation.

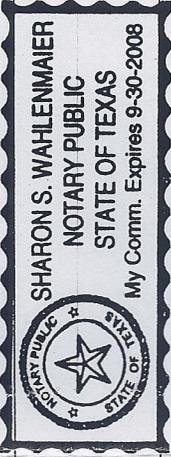
16. The royalties to be paid by lessee are: (a) on oil, 20% of the market value at the point of sale of all oil produced and sold from the lands covered by this lease; or, at lessor's option, 20% of the oil produced and saved in kind to be delivered to lessor at the wells or to the credit of lessor into the pipe line to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substances produced from said land or sold or used off the premises or for the extraction of gasoline or other products therefrom, the market value at the point of sale of 20% of the gas so sold or used. However, in no event shall the royalty paid to Lessor be less than the Lessor's royalty share of the actual amount realized by the lessee from the sale of oil and/or gas. Notwithstanding anything to the contrary herein contained, all royalty paid to Lessor shall be free of all costs and expenses related to the exploration, production and marketing of oil and gas production from the lease including, but not limited to, costs of compression, dehydration, treatment and transportation. Lessor will, however, bear a proportionate part of all those expenses imposed upon Lessee by its gas sale contract to the extent incurred subsequent to those that are obligations of Lessee.

17. This lease may not be maintained in effect for a period exceeding two (2) years past the end of its primary term solely by the payment of shut in royalty.

18. Notwithstanding anything herein above to the contrary, it is expressly agreed that Lessee shall have no right to drill any well or wells from and/or upon the surface of the said land or to use the surface of said land for any purpose including but not limited to the laying of any pipeline. It is understood and agreed that Lessee may slant-drill or horizontally drill under said land and Lessor hereby grants unto Lessee such rights of way, easements, and servitudes in and through the subsurface of said land, as Lessee may require for boring well holes, casing same, and otherwise completing, producing, and maintaining wells in and under said land.

19. In the event Lessee needs access to any portion of the leased premises, Lessor and Lessee agree this access must be approved in writing by a recordable instrument. It is understood that said written consent only applies to the individual surface owner being accessed and the Lessee. In no event, will it be necessary to acquire all of the Lessor's signatures for purposes defined in this paragraph.

20. This lease covers oil, gas, and associated liquid or liquefiable hydrocarbons or the constituent elements of any of the elements named, and sulfur necessarily produced therewith, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the Lessor herein. Accordingly, the words "oil, gas" when used herein shall mean oil, gas and associated liquid or liquefiable hydrocarbons and their constituent elements and sulfur necessarily produced therewith and the words "all other minerals" whenever used herein shall be stricken from this lease so that such "all other minerals" as defined herein are reserved to the Lessor.

Mailing Address	Lands Covered By Lease: White Lake Hills: Lot/Block	Acres	Acknowledgements	Acknowledgement	Notary Signature	Notary Stamp
3212 W Arkansas Ln Arlington, TX 76016	Blk 7 Lot 80	0.462799 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		
401 Green River Trl Fort Worth, TX 76103	Blk 14 Lot 15R	0.286899 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		
905 Lake Charles Ave Fort Worth, TX 76103	Blk 7 Lot 65	0.2258	State of Texas, County of Tarrant	This instrument was acknowledged before me on <i>April 18, 2005</i> By <i>ROBYN ATWOOD</i> , Lessor	<i>Sharon S. Wahlenmaier</i>	
901 Raintree Rd Fort Worth, TX 76103	Blk 9 Lot 44	0.247299 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		
816 Green River Trl Fort Worth, TX 76103	Blk 9 Lot 67	0.268899 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		
800 Raintree Rd Fort Worth, TX 76103	Blk 10 Lot 18	0.238999 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		
1004 Green River Trl Fort Worth, TX 76103	Blk 9 Lot 60	0.244799 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		
1004 Lake Charles Ave Fort Worth, TX 76103	Blk 8 Lot 8	0.250699 999999999	State of Texas, County of Tarrant	This instrument was acknowledged before me on By _____, Lessor		

Well	Date	Gas Delivered to a Transmission Line (MCF)	Gas on Statement (MCF)	Shortage not given to Royalty Owners (MCF)	Price on Statement (\$/MCF)	Royalty Share	Amount of Underpayment to Coffey Related to Shortage(\$)	Underpayment for All Royalty Interests Assuming a 1/5th Royalty (\$)	BTU	Gas Price (\$/MCF/1,000 BTU)
WHITE LAKE HILLS 1H	May-07	5,661	5,468.04	192.96	6.761	0.00017086	0.222904393	260.92	995	6.795
WHITE LAKE HILLS 1H	Jun-07	60,049	58,000.51	2,048.49	6.677	0.00017086	2.336983394	2,735.55	972	6.869
WHITE LAKE HILLS 1H	Jul-07	44,552	40,589.36	3,962.64	5.766	0.00017086	3.903908762	4,569.72	988	5.836
WHITE LAKE HILLS 1H	Aug-07	47,218	47,781.37	-563.37	5.146	0.00017086	-0.495340571	-579.82	985	5.224
WHITE LAKE HILLS 1H	Sep-07	0	0.00	0.00	0.000	0.00017086	0	0.00	0	
WHITE LAKE HILLS 1H	Oct-07	640	617.50	22.50	5.511	0.00017086	0.021186213	24.80	1015	5.430
WHITE LAKE HILLS 1H	Nov-07	25,731	24,853.08	877.92	6.061	0.00017086	0.909158553	1,064.21	1018	5.954
WHITE LAKE HILLS 1H	Dec-07	23,372	22,575.09	796.91	6.324	0.00017086	0.861076109	1,007.93	1021	6.194
WHITE LAKE HILLS 1H	Jan-08	34,933	33,716.54	1,216.46	6.464	0.00017086	1.343505915	1,572.64	996	6.490
WHITE LAKE HILLS 1H	Feb-08	30,037	29,012.49	1,024.51	7.152	0.00017086	1.251941713	1,465.46	993	7.202
WHITE LAKE HILLS 1H	Mar-08	29,033	28,042.62	990.38	8.033	0.00017086	1.359314753	1,591.14	996	8.065
WHITE LAKE HILLS 1H	Apr-08	25,853	24,960.08	892.92	8.585	0.00017086	1.309764612	1,533.14	995	8.628
WHITE LAKE HILLS 1H	May-08	24,941	24,094.30	846.70	9.953	0.00017086	1.439872263	1,685.44	999	9.963
WHITE LAKE HILLS 1H	Jun-08	22,309	21,569.28	739.72	10.516	0.00017086	1.329102089	1,555.78	991	10.612
WHITE LAKE HILLS 1H	Jul-08	21,942	21,194.03	747.97	11.367	0.00017086	1.452681619	1,700.43	991	11.470
WHITE LAKE HILLS 1H	Aug-08	21,064	20,345.67	718.33	7.875	0.00017086	0.966529177	1,131.37	997	7.899
WHITE LAKE HILLS 1H	Sep-08	18,724	18,085.78	638.22	6.716	0.00017086	0.732354744	857.26	998	6.729
WHITE LAKE HILLS 1H	Oct-08	21,688	20,947.55	740.45	5.559	0.00017086	0.703287362	823.23	996	5.581
WHITE LAKE HILLS 1H	Nov-08	20,607	19,904.41	702.59	4.519	0.00017086	0.542481219	635.00	996	4.537
WHITE LAKE HILLS 1H	Dec-08	20,288	19,595.91	692.09	5.262	0.00017086	0.622234117	728.36	1000	5.262
WHITE LAKE HILLS 1H	Jan-09	19,175	18,521.10	653.90	4.684	0.00017086	0.523321558	612.57	986	4.751
WHITE LAKE HILLS 1H	Feb-09	16,391	15,832.35	558.65	3.119	0.00017086	0.297711479	348.49	987	3.160
WHITE LAKE HILLS 1H	Mar-09	16,975	16,392.82	582.18	2.819	0.00017086	0.280409524	328.23	1001	2.816
WHITE LAKE HILLS 1H	Apr-09	15,421	14,890.00	531.00	2.689	0.00017086	0.243963989	285.57	997	2.697
WHITE LAKE HILLS 1H	May-09	15,934	15,464.91	469.09	2.575	0.00017086	0.206382947	241.58	997	2.583
WHITE LAKE HILLS 1H	Jun-09	14,564	14,032.85	531.15	2.771	0.00017086	0.251474593	294.36	996	2.782
WHITE LAKE HILLS 1H	Jul-09	14,998	14,482.96	515.04	3.066	0.00017086	0.269807186	315.82	996	3.078
WHITE LAKE HILLS 1H	Aug-09	14,473	13,972.22	500.78	2.560	0.00017086	0.219041973	256.40	996	2.570
WHITE LAKE HILLS 1H	Sep-09	14,427	13,929.88	497.12	1.964	0.00017086	0.166818081	195.27	997	1.970
WHITE LAKE HILLS 1H	Oct-09	9,402	9,078.53	323.47	2.869	0.00017087	0.158573414	185.61	997	2.878
WHITE LAKE HILLS 1H	Nov-09	7,305	7,065.08	239.92	3.446	0.00017087	0.141269219	165.35	999	3.449
WHITE LAKE HILLS 1H	Dec-09	10,731	10,364.66	366.34	3.721	0.00017087	0.232921635	272.63	999	3.725
WHITE LAKE HILLS 1H	Jan-10	6,454	6,227.99	226.01	4.764	0.00017087	0.183977718	215.34	997	4.778
WHITE LAKE HILLS 1H	Feb-10	8,930	6,524.15	2,405.85	4.315	0.00016944	1.758997772	2,076.25	997	4.328
WHITE LAKE HILLS 1H	Feb-10		2,093.92	-2,093.92	4.300	0.00017549	-1.580086689	-1,800.77	997	4.313
WHITE LAKE HILLS 1H	Mar-10	9,292	6,788.50	2,503.50	3.784	0.00016936	1.604388604	1,894.65	997	3.795
WHITE LAKE HILLS 1H	Mar-10		2,178.83	-2,178.83	3.813	0.00017573	-1.45994354	-1,661.58	997	3.824
WHITE LAKE HILLS 1H	Apr-10	10,623	2,490.95	8,132.05	2.974	0.00017549	4.244175934	4,836.94	996	2.986
WHITE LAKE HILLS 1H	Apr-10		7,760.95	-7,760.95	2.966	0.00016944	-3.900335581	-4,603.80	996	2.978

Well	Date	Gas Delivered to a Transmission Line (MCF)	Gas on Statement (MCF)	Shortage not given to Royalty Owners (MCF)	Price on Statement (\$/MCF)	Royalty Share	Amount of Underpayment to Coffey Related to Shortage(\$)	Underpayment for All Royalty Interests Assuming a 1/5th Royalty (\$)	BTU	Gas Price (\$/MCF/1,000 BTU)
WHITE LAKE HILLS 1H	May-10	11,091	8,102.78	2,988.22	3.387	0.00016944	1.714919377	2,024.22	996	3.401
WHITE LAKE HILLS 1H	May-10		2,600.67	-2,600.67	3.374	0.00017549	-1.539865185	-1,754.93	996	3.388
WHITE LAKE HILLS 1H	Jun-10	10,365	7,628.14	2,736.86	3.319	0.00016944	1.53913168	1,816.73	995	3.336
WHITE LAKE HILLS 1H	Jun-10		2,372.01	-2,372.01	3.123	0.00017549	-1.299992581	-1,481.56	1000	3.123
	Total	714,828	690,150	24,678			24.83	29,090.79		
	thru May									
WHITE LAKE HILLS 2H	Dec-07	57,473	55,513.39	1,959.61	6.297	0.00017086	2.10835502	2,467.93	1016	6.198
WHITE LAKE HILLS 2H	Jan-08	59,747	57,666.48	2,080.52	6.436	0.00017086	2.287854137	2,678.05	991	6.494
WHITE LAKE HILLS 2H	Feb-08	46,948	45,346.66	1,601.34	7.121	0.00017086	1.948340866	2,280.63	989	7.200
WHITE LAKE HILLS 2H	Mar-08	44,919	43,387.29	1,531.71	7.998	0.00017087	2.093262855	2,450.12	992	8.063
WHITE LAKE HILLS 2H	Apr-08	39,158	37,805.26	1,352.74	8.548	0.00017087	1.975807661	2,312.64	991	8.626
WHITE LAKE HILLS 2H	May-08	36,833	35,582.08	1,250.92	9.910	0.00017087	2.118209981	2,479.32	994	9.970
WHITE LAKE HILLS 2H	Jun-08	32,356	31,283.47	1,072.53	10.496	0.00017087	1.923530559	2,251.45	989	10.613
WHITE LAKE HILLS 2H	Jul-08	30,730	29,698.51	1,031.49	11.345	0.00017087	1.99956415	2,340.45	989	11.471
WHITE LAKE HILLS 2H	Aug-08	29,415	28,426.39	988.61	7.862	0.00017087	1.328078842	1,554.49	995	7.902
WHITE LAKE HILLS 2H	Sep-08	26,257	25,375.96	881.04	6.696	0.00017087	1.008037969	1,179.89	995	6.730
WHITE LAKE HILLS 2H	Oct-08	23,988	23,139.90	848.10	5.542	0.00017087	0.803118082	940.03	993	5.581
WHITE LAKE HILLS 2H	Nov-08	24,959	24,110.31	848.69	4.506	0.00017087	0.653440565	764.84	993	4.538
WHITE LAKE HILLS 2H	Dec-08	26,944	26,024.64	919.36	5.246	0.00017087	0.824099613	964.59	997	5.262
WHITE LAKE HILLS 2H	Jan-09	25,983	25,096.73	886.27	4.722	0.00017087	0.715085301	836.99	994	4.751
WHITE LAKE HILLS 2H	Feb-09	22,093	21,339.01	753.99	3.146	0.00017087	0.405312618	474.41	995	3.162
WHITE LAKE HILLS 2H	Mar-09	23,147	22,353.05	793.95	2.811	0.00017087	0.381346547	446.36	998	2.817
WHITE LAKE HILLS 2H	Apr-09	21,469	20,736.97	732.03	2.681	0.00017087	0.335344751	392.51	994	2.697
WHITE LAKE HILLS 2H	May-09	19,260	18,692.57	567.43	2.570	0.00017087	0.249178884	291.66	994	2.586
WHITE LAKE HILLS 2H	Jun-09	18,990	18,298.01	691.99	2.763	0.00017087	0.326698035	382.39	993	2.782
WHITE LAKE HILLS 2H	Jul-09	20,282	19,569.81	712.19	3.059	0.00017087	0.372255538	435.72	993	3.081
WHITE LAKE HILLS 2H	Aug-09	19,765	19,091.74	673.26	2.553	0.00017087	0.293696957	343.77	993	2.571
WHITE LAKE HILLS 2H	Sep-09	18,904	18,259.44	644.56	1.960	0.00017087	0.215866496	252.67	995	1.970
WHITE LAKE HILLS 2H	Oct-09	19,576	18,908.13	667.87	2.860	0.00017087	0.326380188	382.02	995	2.874
WHITE LAKE HILLS 2H	Nov-09	18,093	17,505.44	587.56	3.430	0.00017087	0.344359574	403.07	997	3.440
WHITE LAKE HILLS 2H	Dec-09	17,200	16,611.25	588.75	3.713	0.00017087	0.373526733	437.21	995	3.732
WHITE LAKE HILLS 2H	Jan-10	16,742	16,171.23	570.77	4.755	0.00017087	0.463743119	542.80	993	4.789
WHITE LAKE HILLS 2H	Feb-10	14,244	10,501.95	3,742.05	4.288	0.00016944	2.718819058	3,209.18	993	4.318
WHITE LAKE HILLS 2H	Feb-10		3,256.70	-3,256.70	4.304	0.00017549	-2.45981469	-2,803.37	993	4.334
WHITE LAKE HILLS 2H	Mar-10	16,295	12,013.92	4,281.08	3.775	0.00016944	2.738332887	3,232.22	995	3.794
WHITE LAKE HILLS 2H	Mar-10		3,725.56	-3,725.56	3.793	0.00017549	-2.479857803	-2,826.21	995	3.812
WHITE LAKE HILLS 2H	Apr-10	10,191	2,330.03	7,860.97	3.008	0.00017549	4.149601049	4,729.16	995	3.023
WHITE LAKE HILLS 2H	Apr-10		7,513.68	-7,513.68	2.977	0.00016944	-3.790072105	-4,473.65	995	2.992
WHITE LAKE HILLS 2H	May-10	10,941	8,066.24	2,874.76	3.380	0.00016944	1.64639575	1,943.34	994	3.400

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WHITE LAKE HILLS 2H	May-10		2,501.38	-2,501.38	3.372	0.00017549	-1.480197318	-1,686.93	994	3.392
WHITE LAKE HILLS 2H	Jun-10	9,515	7,015.37	2,499.63	3.323	0.00016944	1.407414472	1,661.25	994	3.343
WHITE LAKE HILLS 2H	Jun-10		2,175.50	-2,175.50	3.091	0.00017549	-1.180077328	-1,344.89	1000	3.091
	Totals thru May	792,902	765,903	26,999			26.92	31,609.77		
WHITE LAKE HILLS 5H	Nov-09	124,204	121,760.30	2,443.70	3.510	0.0001653	1.417842071	1,715.48	1021	3.438
WHITE LAKE HILLS 5H	Dec-09	169,997	166,347.37	3,649.63	3.801	0.0001653	2.293081872	2,774.45	1019	3.730
WHITE LAKE HILLS 5H	Jan-10	129,789	128,516.76	1,272.24	4.862	0.0001653	1.022484784	1,237.13	1016	4.785
WHITE LAKE HILLS 5H	Feb-10	107,954	25,625.61	82,328.39	4.318	0.00016918	60.14247289	71,098.80	1000	4.318
WHITE LAKE HILLS 5H	Feb-10		82,328.87	-82,328.87	4.320	0.00016409	-58.36036728	-71,132.14	1000	4.320
WHITE LAKE HILLS 5H	Mar-10	97,623	23,173.21	74,449.79	3.788	0.00016918	47.71143381	56,403.16	1000	3.788
WHITE LAKE HILLS 5H	Mar-10		74,449.89	-74,449.89	3.790	0.00016409	-46.30046849	-56,433.02	1000	3.790
WHITE LAKE HILLS 5H	Apr-10	59,426	45,321.19	14,104.81	2.859	0.00016409	6.617036202	8,065.13	960	2.978
WHITE LAKE HILLS 5H	Apr-10		14,106.63	-14,106.63	2.858	0.00016918	-6.820787518	-8,063.35	960	2.977
WHITE LAKE HILLS 5H	May-10	63,738	15,129.76	48,608.24	3.399	0.00016918	27.9518194	33,043.88	1001	3.396
WHITE LAKE HILLS 5H	May-10		48,608.23	-48,608.23	3.398	0.00016409	-27.10287092	-33,034.15	1001	3.395
WHITE LAKE HILLS 5H	Jun-10	58,667	13,926.04	44,740.96	3.111	0.00016918	23.54801643	27,837.83	1000	3.111
WHITE LAKE HILLS 5H	Jun-10		44,740.98	-44,740.98	3.345	0.00016409	-24.55747608	-29,931.72	998	3.352
	Totals thru May	752,731	745,368	7,363			8.57	5,675		
WHITE LAKE HILLS 6H	Dec-09	11,649	11,649.98	-0.98	3.797	0.00016504	-0.000614124	-0.74	1016	3.737
WHITE LAKE HILLS 6H	Jan-10	111,249	110,158.49	1,090.51	4.852	0.00016504	0.873252142	1,058.23	1014	4.785
WHITE LAKE HILLS 6H	Feb-10	109,140	26,560.06	82,579.94	4.309	0.00016918	60.20049714	71,167.39	997	4.322
WHITE LAKE HILLS 6H	Feb-10		82,579.68	-82,579.68	4.308	0.00016375	-58.25459656	-71,150.65	997	4.321
WHITE LAKE HILLS 6H	Mar-10	106,263	25,859.83	80,403.17	3.781	0.00016918	51.43146198	60,800.88	996	3.796
WHITE LAKE HILLS 6H	Mar-10		80,402.55	-80,402.55	3.778	0.00016375	-49.74083655	-60,752.17	996	3.793
WHITE LAKE HILLS 6H	Apr-10	91,689	69,375.00	22,314.00	2.849	0.00016375	10.41001096	12,714.52	957	2.977
WHITE LAKE HILLS 6H	Apr-10		22,313.05	-22,313.05	2.850	0.00016918	-10.75852713	-12,718.44	957	2.978
WHITE LAKE HILLS 6H	May-10	85,673	20,849.38	64,823.62	3.382	0.00016918	37.08992063	43,846.70	996	3.396
WHITE LAKE HILLS 6H	May-10		64,824.20	-64,824.20	3.383	0.00016375	-35.91041898	-43,860.05	996	3.397
WHITE LAKE HILLS 6H	Jun-10	73,846	17,970.86	55,875.14	3.164	0.00016918	29.90915337	35,357.79	1020	3.102
WHITE LAKE HILLS 6H	Jun-10		55,874.43	-55,874.43	3.330	0.00016375	-30.46762825	-37,212.37	994	3.350
	Totals thru May	515,663	514,572	1,091			5.34	1,105.66		
WHITE LAKE HILLS 7H	Dec-09	9,344	9,342.77	1.23	3.794	0.00016504	0.000770179	0.93	1017	3.731
WHITE LAKE HILLS 7H	Jan-10	100,121	99,139.43	981.57	4.850	0.00016504	0.785691817	952.12	1014	4.783
WHITE LAKE HILLS 7H	Feb-10	94,730	23,090.00	71,640.00	4.334	0.00016918	52.52831924	62,097.55	1003	4.321

Well	Date	Gas Delivered to a Transmission Line (MCF)	Gas on Statement (MCF)	Shortage not given to Royalty Owners (MCF)	Price on Statement (\$/MCF)	Royalty Share	Amount of Underpayment to Coffey Related to Shortage(\$)	Underpayment for All Royalty Interests Assuming a 1/5th Royalty (\$)	BTU	Gas Price (\$/MCF/1,000 BTU)
WHITE LAKE HILLS 7H	Feb-10		71,639.64	-71,639.64	4.335	0.00016375	-50.8538462	-62,111.57	1003	4.322
WHITE LAKE HILLS 7H	Mar-10	87,108	21,232.37	65,875.63	3.803	0.00016918	42.38382303	50,105.00	1003	3.792
WHITE LAKE HILLS 7H	Mar-10		65,876.12	-65,876.12	3.804	0.00016375	-41.03456453	-50,118.55	1003	3.793
WHITE LAKE HILLS 7H	Apr-10	63,948	45,361.83	18,586.17	2.866	0.00016375	8.722628977	10,653.59	963	2.976
WHITE LAKE HILLS 7H	Apr-10		15,587.39	-15,587.39	2.863	0.00016918	-7.549944695	-8,925.34	963	2.973
WHITE LAKE HILLS 7H	May-10	72,046	17,560.91	54,485.09	3.396	0.00016918	31.30360644	37,006.27	1000	3.396
WHITE LAKE HILLS 7H	May-10		54,484.93	-54,484.93	3.395	0.00016375	-30.28987524	-36,995.27	1000	3.395
WHITE LAKE HILLS 7H	Jun-10	62,396	15,208.89	47,187.11	3.164	0.00016918	25.25857671	29,860.00	1020	3.102
WHITE LAKE HILLS 7H	Jun-10		47,187.49	-47,187.49	3.342	0.00016375	-25.82347187	-31,540.12	997	3.352
	Totals	427,297	423,315	3,982			6.00	2,664.75		
	thru May									
WHITE LAKE HILLS 8H	Dec-09	7,719	7,720.33	-1.33	3.791	0.00016504	-0.000832137	-1.01	1018	3.724
WHITE LAKE HILLS 8H	Jan-10	94,193	93,249.58	943.42	4.853	0.00016504	0.755621985	915.68	1014	4.786
WHITE LAKE HILLS 8H	Feb-10	100,455	24,485.65	75,969.35	4.328	0.00016918	55.62559677	65,759.07	1001	4.324
WHITE LAKE HILLS 8H	Feb-10		75,969.82	-75,969.82	4.326	0.00016375	-53.81569102	-65,729.09	1001	4.322
WHITE LAKE HILLS 8H	Mar-10	91,467	22,294.80	69,172.20	3.799	0.00016918	44.45799807	52,557.04	1001	3.795
WHITE LAKE HILLS 8H	Mar-10		69,172.42	-69,172.42	3.796	0.00016375	-42.99723041	-52,515.70	1001	3.792
WHITE LAKE HILLS 8H	Apr-10	79,461	60,091.64	19,369.36	3.295	0.00016375	10.45085925	12,764.41	1107	2.977
WHITE LAKE HILLS 8H	Apr-10		19,368.00	-19,368.00	3.299	0.00016918	-10.80976151	-12,779.01	1107	2.980
WHITE LAKE HILLS 8H	May-10	73,403	17,891.71	55,511.29	3.399	0.00016918	31.92136874	37,736.57	1001	3.396
WHITE LAKE HILLS 8H	May-10		55,511.30	-55,511.30	3.399	0.00016375	-30.8968263	-37,736.58	1001	3.396
WHITE LAKE HILLS 8H	Jun-10	63,859	15,565.35	48,293.65	3.167	0.00016918	25.87540251	30,589.20	1020	3.105
WHITE LAKE HILLS 8H	Jun-10		48,293.47	-48,293.47	3.347	0.00016375	-26.46826247	-32,327.65	998	3.354
	Totals	446,698	445,755	943			4.69	971.39		
	thru May					Totals				
				65,055.43		For 6 well	76.35	71,117.72		

CIVIL COVER SHEET

JS 44 (Rev. 12/97)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Robyn Coffey, on behalf of herself and all other similarly situated,

DEFENDANTS

Chesapeake Exploration, L.L.C., and Chesapeake Operating, Inc.

(b) County of Residence of First Listed Plaintiff Tarrant County, TX
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Bradley C. West, The West Law Firm, 124 W. Highland - PO Box 698, Shawnee OK 74802; (405) 275-0040

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys If Known:

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4
Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 650 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395(f)) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 PSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Tons to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions		

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from another district (specify)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 USC Section 1332

Brief description of cause:
Royalty Interest Underpayment

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ in excess of \$75,000 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE 9/23/10

SIGNATURE OF ATTORNEY OF RECORD
Bradley C. West

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING FFP _____ JUDGE _____ MAG. JUDGE _____