

**THIS INSTRUMENT PREPARED BY:**

W. Harold Parrish, Jr.  
Leitman, Siegal, Payne & Campbell, P.C.  
420 North 20th Street, Suite 2000  
Birmingham, Alabama 35203

**AFTER RECORDING RETURN TO:**

Mark Kames, Esq.  
D.R. Horton, Inc.  
D.R. Horton Tower  
301 Commerce Street, Suite 500  
Fort Worth, TX 76102

STATE OF ALABAMA      )

COUNTY OF SHELBY      )

**DEED - MINERALS, RESOURCES AND GROUNDWATER**  
**(With Rights of Ingress and Egress and Springing Surface Waiver)**

**D.R. HORTON, INC. - BIRMINGHAM**, an Alabama corporation ("Grantor"), for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which Grantor acknowledges, does GRANT, BARGAIN, SELL, CONVEY, TRANSFER AND DELIVER unto **DRH ENERGY, INC.**, a Colorado corporation ("Grantee") (whose mailing address is 301 Commerce Street, Suite 500, Fort Worth, Texas 76102, Attn: Mark Karnes), all of Grantor's rights, title and interests in and to all of the following:

- (a) all oil, gas, petroleum, natural gas, coal, lignite and other hydrocarbons of whatever name or type, and all uranium, metals and any and all other minerals, gases and substances of whatever name or type, and geothermal energy and geothermal substances and rights, together with all ores thereof and other products or materials produced therefrom or in association therewith (the "Minerals and Resources"); and
- (b) all groundwater and other subsurface water of any and every type, kind, category or nature whatsoever, separately or mixed or combined with any other substance, found beneath the surface of the earth (whether referred to or categorized as ground water, underground water, percolating ground water, moisture in soils or other substances, underflow of streams or underground streams) (the "Groundwater")

now or in the future that are located in whole or in part, in, on, and under, and/or that may be produced from, that certain real property (the "Property") described on **Exhibit "A"** attached hereto and incorporated herein by reference. The Minerals and Resources and the Groundwater are collectively referred to herein as the "Minerals, Resources and Groundwater."



**TO HAVE AND TO HOLD** the Minerals, Resources and Groundwater, together with all and singular the rights, privileges and appurtenances thereto in anywise belonging, and the right of ingress, egress and possession of the surface of the Property at all times for the purposes of exploring, studying, mining, drilling and operating for said Minerals, Resources and Groundwater and the construction and maintenance of well sites, facilities and means necessary or convenient for producing, developing, withdrawing, capturing, pumping, treating, storing and transporting the Minerals, Resources and Groundwater, including, without limitation, the right to develop or produce the Minerals, Resources and Groundwater by pooling or unitization or by directional drilling under the Property from well sites located on the Property or other land, unto Grantee, Grantee's successors and assigns, forever.

And Grantor does hereby bind Grantor and Grantor's successors to **WARRANT AND FOREVER DEFEND**, all and singular, the Minerals, Resources and Groundwater unto Grantee, Grantee's successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, and under Grantor, but not otherwise.

Grantor further covenants and agrees that the real and personal property rights, titles and interests in and to the Groundwater in and under the Property are to be vested solely, exclusively and absolutely in Grantee, specifically including all rights and benefits accruing from historical production, use and usage, and any and all permits, licenses or other valuable governmental approvals that now or hereafter pertain or accrue to such Groundwater ownership, production and use.

If this Deed is hereafter determined or statutorily limited or regulated to cover a lesser interest in the Groundwater in all or part of said Property or if applicable laws, regulations, or rules result in a proportionate reduction in ownership of Groundwater, then, solely in that event, the vested rights of any Grantor in Groundwater which are not covered hereby shall be held, used and exercised by such Grantor in a usufruct for the exclusive benefit of Grantee, its successors and assigns.

This Deed shall also include, and there is hereby included and conveyed for the purposes and consideration herein stated, all the Minerals, Resources and Groundwater owned and claimed by Grantor adjacent or contiguous to the Property, or located within the county or counties in which the Property is situated, whether in the same or different surveys.

This conveyance is made subject to any and all matters of record in the county in which the Property is situated, including, without limitation, all prior reservations and conveyances of minerals, royalties, groundwater and other interests affecting all or any part of the Minerals, Resources and Groundwater, to the extent the same are valid and subsisting and affect the Minerals, Resources and Groundwater.

This conveyance is further made subject to any valid and subsisting lease or leases affecting the Minerals, Resources and Groundwater or any portion thereof; but, for the same consideration hereinabove mentioned, Grantor has sold, transferred, assigned and conveyed and by these presents does sell, transfer, assign and convey unto Grantee, its successors and assigns,

all of Grantor's right, title and interest, if any, in and to the rights, rentals, royalties and other benefits accruing or to accrue under said lease or leases.


This conveyance is further made subject to the terms of the Future Waiver of Surface Rights set forth on **Exhibit "B"** attached hereto and made a part hereof.

Grantee is to receive all bonuses, rents, royalties, production payments or monies of any nature accrued in the past or future with respect to the Minerals, Resources and Groundwater. This conveyance is also a transfer of production payments and pooled acreage benefits to Grantee. Grantee is authorized to sign all papers as Grantor's attorney-in-fact for the transfer of ownership, production payments, interests, and revenues heretofore or hereafter due to Grantor.

Grantor agrees that Grantee shall have the right at any time to redeem for Grantor by payment any mortgage, taxes, or other liens on the Minerals, Resources and Groundwater, upon default in payment by Grantor, and Grantee shall thereupon be subrogated to the rights of the holder thereof.

The term "Minerals and Resources," as used herein, shall include, without limitation, and in addition to those items specifically named above, all aluminum, asphalt, barite, basalt, beryllium, bismuth, bentonite, clays, brines, bromine, caliche, celestite, cement, clay, copper, diatomite, dolomite, evaporates, feldspar, fluorspar, gemstones, gold, greensand, gypsum, helium, hydrogen, iron, lead, zinc, lime, magnesite, magnesium, manganese, mercury, mica, mineral water, molybdenum, nitrates, novaculite, oyster, shell, peat, perlite, phosphate, potash, polyhalite, pumicite, salt, sand and gravel, silver, sulfur, talc, tin, titanium, topaz, tripoli, turquoise, uranium, vermiculite and zeolites that now or in the future that are located in whole or in part, in, on, and under, and/or that may be produced from, the Property.

*[ Signatures on following page ]*

  
20121026000411960 3/8 \$34.00  
Shelby Cnty Judge of Probate, AL  
10/26/2012 11:05:57 AM FILED/CERT



EXECUTED as of the 25 day of October, 2012.

GRANTOR:

**D.R. HORTON, INC. - BIRMINGHAM,**  
an Alabama corporation

By: \_\_\_\_\_

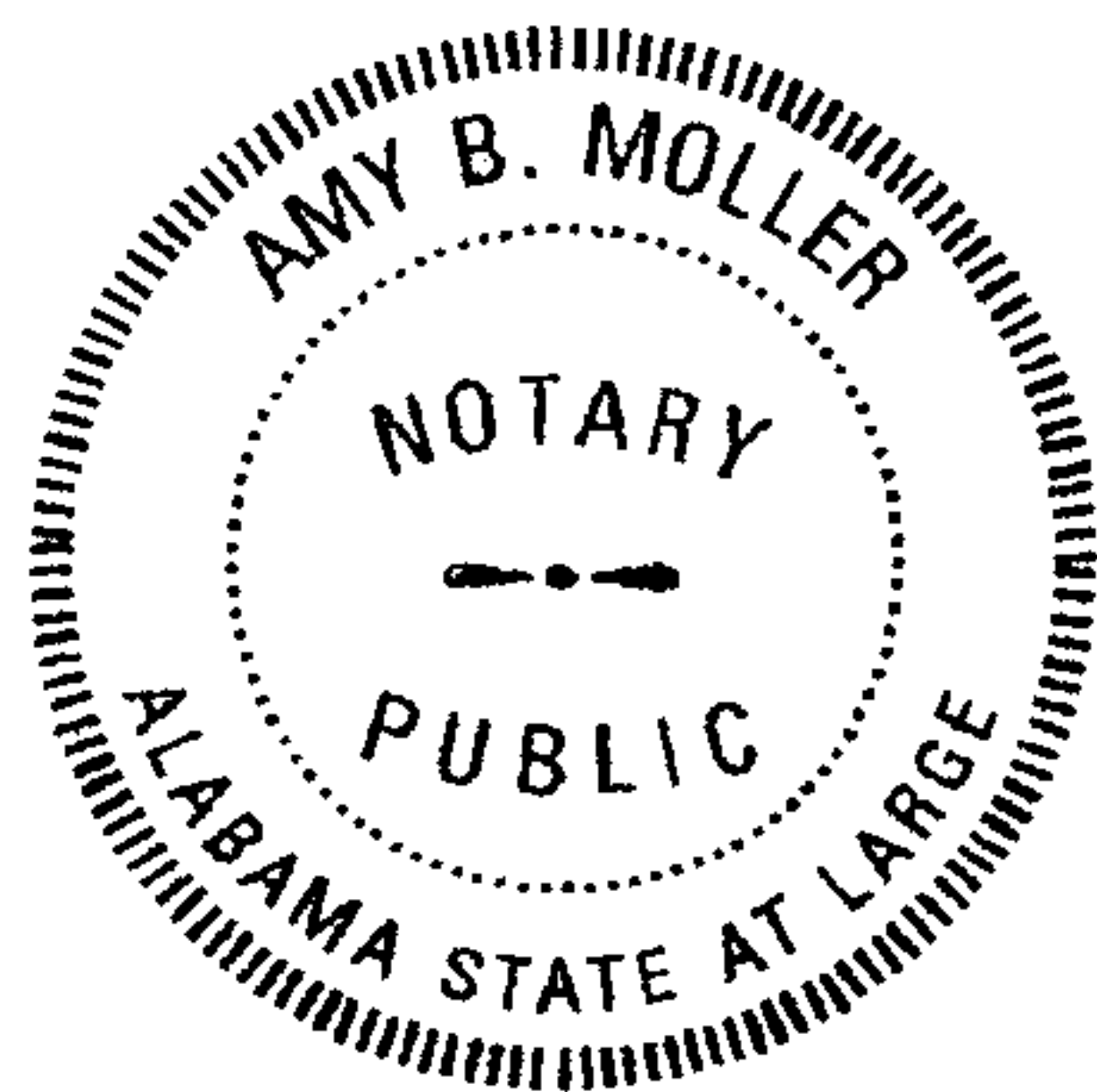
Andrew J. Hancock

Its: Division President

STATE OF ALABAMA     )  
JEFFERSON COUNTY    )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Andrew J. Hancock, whose name as Division President of D.R. Horton, Inc. - Birmingham, an Alabama corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer, executed the same voluntarily and with full authority for and as the act of said corporation.

Given under my hand and official seal this 25 day of October, 2012.



\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: 12/12/15

20121026000411960 4/8 \$34.00  
Shelby Cnty Judge of Probate, AL  
10/26/2012 11:05:57 AM FILED/CERT

**EXHIBIT "A"**

Lots 186 and 216 according to the Survey of The Reserve at Timberline Phase 2 as recorded in Map Book 39, Page 27 in the Probate Office of Shelby County, Alabama.

Lot 301, according to the Survey of The Reserve at Timberline Phase 3, as recorded in Map Book 38, Page 53 in the Probate Office of Shelby County, Alabama



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Shelby Cnty Judge of Probate, AL  
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## **EXHIBIT "B"**

### **Future Waiver of Surface Rights**

1. For purposes hereof, the following terms shall have the meanings assigned to them below:

"Conveyance Date" with respect to each Improved Lot shall mean the date of recording of the first deed to such Improved Lot (in the real property records of the county in which such Improved Lot is situated) following the completion of construction of a residence thereon.

"Improved Lot" shall mean a Lot upon which construction of a residence has been completed.

"Lot" shall mean a residential lot situated within the boundaries of the Property for which a final plat has been approved by all required governmental authorities and recorded in the appropriate plat records of the county or counties in which the Property is situated.

"Owner" shall mean the grantee in the first deed to an Improved Lot following the completion of construction of a residence thereon for so long as such grantee holds title to such Improved Lot and, thereafter, shall mean the then-current record title holder of such Improved Lot.

"Surface" shall mean the area between the finished grade of an Improved Lot to a depth of thirty (30) feet below the finished grade.

All other defined terms used herein shall have the meanings assigned to them elsewhere in this Deed.

2. The following waiver of Surface rights shall be effective with respect to each Improved Lot from and after the Conveyance Date of such Improved Lot:

Effective as of the Conveyance Date of an Improved Lot, Grantee, on behalf of Grantee and its successors and assigns, hereby releases and waives unto and for the benefit of the Owner of such Improved Lot (and such Owner's successors-in-title thereto) all rights of ingress and egress to enter upon the Surface of such Improved Lot for purposes of exploring for, developing or producing the Minerals, Resources and Groundwater conveyed by this Deed; provided, however, nothing herein shall be deemed to prevent Grantee, or its successors or assigns, from exploring for, developing, drilling, producing, withdrawing, capturing, pumping, extracting, mining or transporting the Minerals, Resources and Groundwater in, on and under, and that may be produced from the Lots (including Improved Lots) or the Property, by pooling, unitization, directional drilling or any other manner or method that does not require the entry upon the Surface of such Improved Lot, and there is hereby expressly reserved to Grantee, and its successors and assigns, the right to explore for, develop, drill, produce, withdraw, capture, pump, extract,



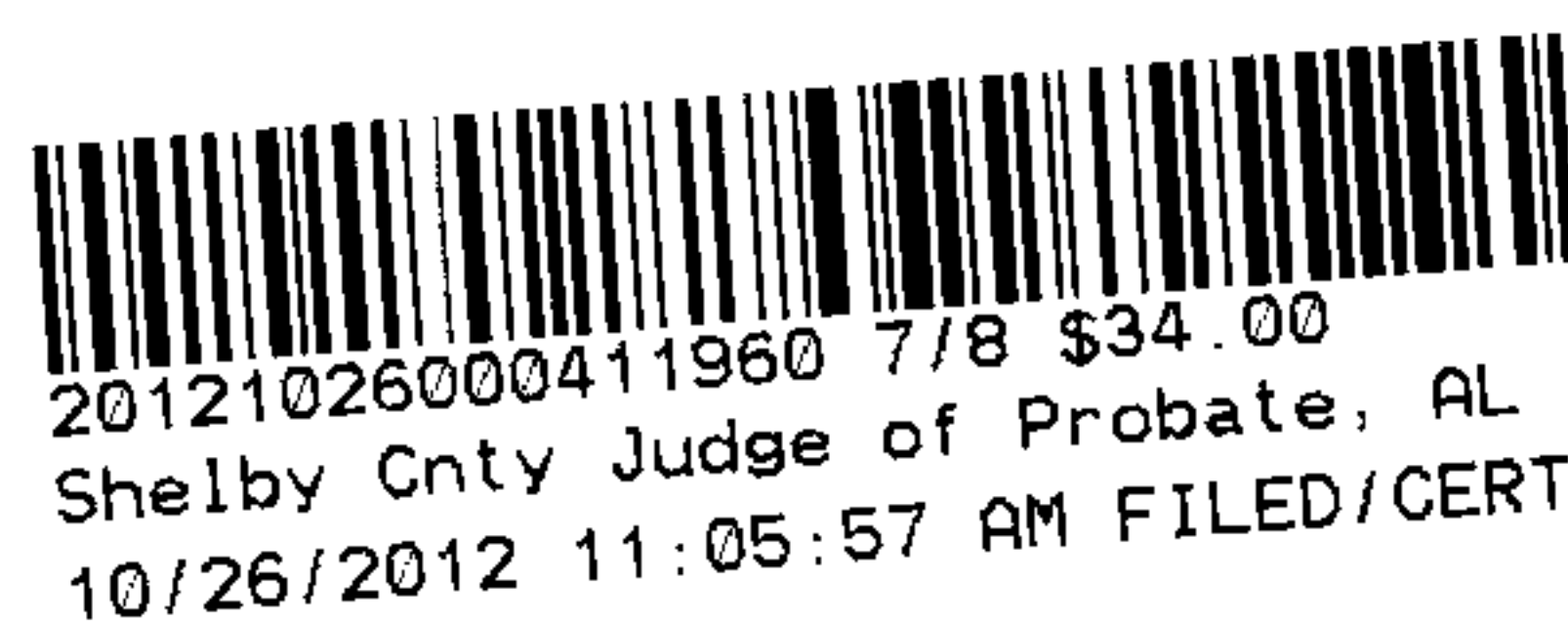
mine and transport the Minerals, Resources and Groundwater from the Lots (including any Improved Lots) and the Property (and to have access to and control of underground formations of the Minerals, Resources and Groundwater) through wells or other structures at surface locations situated outside the boundaries of such Improved Lot.

The foregoing waiver of Surface rights shall not be effective as to (a) any Lot which is not an Improved Lot, or (b) any Improved Lot until the Conveyance Date of such Improved Lot.

3. At such time as the foregoing waiver of Surface rights becomes effective with respect to an Improved Lot, such waiver of Surface rights, as it affects such Improved Lot, shall be subject and subordinate to any and all matters of record in the county in which the Property is situated, including, without limitation, any easements created for access or for transportation of any Minerals, Resources or Groundwater. Subject to the terms of the preceding sentence, any successor or assignee of Grantee's interest in the Minerals, Resources and Groundwater or any portion thereof shall take the same subject to the foregoing waiver of Surface rights, and any conveyance, assignment, lease or other transfer of all or any portion of Grantee's interest in the Minerals, Resources and Groundwater shall be deemed to be made subject to the foregoing waiver of Surface rights, whether or not expressly stated in such conveyance, assignment, lease or other transfer. No such conveyance, assignment, lease or other transfer shall be deemed to cause the foregoing waiver of Surface rights to be effective with respect to any Lot prior to the date stated in Section 2 above.

4. With respect to the Property or any portion thereof, the foregoing waiver of Surface rights and any other provisions of this Exhibit "B" may be terminated or amended by a written agreement signed by Grantee, or its successors or assigns, and the then-current record title holder of the Property or such portion, which written agreement shall be recorded in the real property records of the county in which the Property or such portion is situated.

5. The foregoing waiver of Surface rights (a) does not affect any Minerals, Resources and Groundwater, or any interest therein, not conveyed by this Deed, and (b) must vest, if at all, not later than the 21st anniversary of the death of George H. W. Bush's last living descendant who is alive on the date of this Deed.



Shelby County, AL 10/26/2012  
State of Alabama  
Deed Tax:\$1.00

# Real Estate Sales Validation Form

***This Document must be filed in accordance with Code of Alabama 1975, Section 40-22-1***

Grantor's Name	<u>D.R. Horton, Inc. - Birmingham</u>	Grantee's Name	<u>DRH Energy, Inc.</u>
Mailing Address	<u>3570 Grandview Parkway</u> <u>Birmingham, Alabama 35243</u>	Mailing Address	<u>301 Commerce Street, Suite 500</u> <u>Forth Worth, TX 76102</u>
Property Address	<u>Lot 186 on Seminole Place</u> <u>Lot 216 on Riveria Drive</u> <u>Lot 301 on Medina Drive</u> <u>Timberline Subdivision</u> <u>Calera, AL 35040</u> <u>(unimproved residential lots)</u>	Date of Sale	<u>October 25, 2012</u>
		Total Purchase Price	<u>\$ 1,000.00</u>
		or	
		Actual Value	<u>\$</u>
		or	
		Assessor's Market Value	<u>\$</u>

The purchase price or actual value claimed on this form can be verified in the following documentary evidence: (check one) (Recordation of documentary evidence is not required)

<input type="checkbox"/> Bill of Sale	<input type="checkbox"/> Appraisal
<input type="checkbox"/> Sales Contract	<input checked="" type="checkbox"/> Other
<input type="checkbox"/> Closing Statement	Conveyance of three (3) mineral acres. Minimum mineral transfer tax is \$1.00 per §40-20-32(3)( <i>Code of Alabama</i> ) and AL DOR.

If the conveyance document presented for recordation contains all of the required information referenced above, the filing of this form is not required.

## Instructions

Grantor's name and mailing address - provide the name of the person or persons conveying interest to property and their current mailing address.

Grantee's name and mailing address - provide the name of the person or persons to whom interest to property is being conveyed.

Property address - the physical address of the property being conveyed, if available.

Date of Sale - the date on which interest to the property was conveyed.

Total purchase price - the total amount paid for the purchase of the property, both real and personal, being conveyed by the instrument offered for record.

Actual value - if the property is not being sold, the true value of the property, both real and personal, being conveyed by the instrument offered for record. This may be evidenced by an appraisal conducted by a licensed appraiser or the assessor's current market value.

If no proof is provided and the value must be determined, the current estimate of fair market value, excluding current use valuation, of the property as determined by the local official charged with the responsibility of valuing property for property tax purposes will be used and the taxpayer will be penalized pursuant to Code of Alabama 1975 § 40-22-1 (h).


I attest, to the best of my knowledge and belief that the information contained in this document is true and accurate. I further understand that any false statements claimed on this form may result in the imposition of the penalty indicated in Code of Alabama 1975 § 40-22-1 (h).

Date: October 25, 2012

Print: W. Harold Parrish, Jr.

Sign: *W. Harold Parrish, Jr.*  
Attorney for Grantor

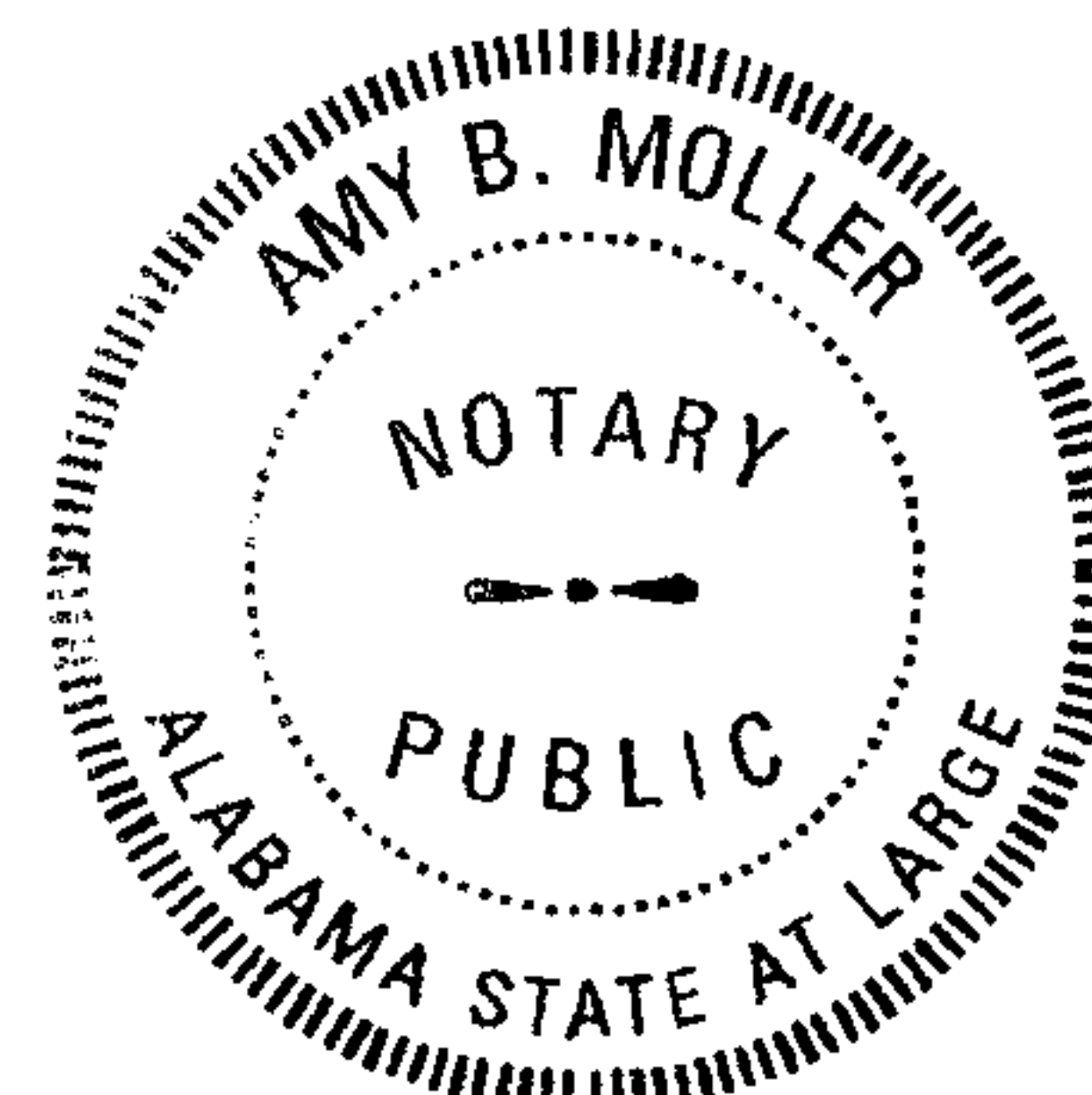
STATE OF ALABAMA  
COUNTY OF JEFFERSON

  
20121026000411960 8/8 \$34.00  
Shelby Cnty Judge of Probate, AL  
10/26/2012 11:05:57 AM FILED/CERT

Subscribed, and sworn to before me this 25 day of October, 2012.

*Amy B. Moller* Notary Public

My Commission Expires: 12/12/15



**Form RT-1**