

WORKING INTEREST PURCHASE AND SALE AGREEMENT

This Working Interest Purchase and Sale Agreement (the "Agreement"), dated as of February 14, 2013 (the "Effective Date"), is made by and between Orca ICI Development JV, a Texas joint venture ("Seller"), and XS Capital Investments, LP, a Texas limited partnership, and Rural Route 3 Holdings, LP, a Texas limited partnership (collectively, "Buyer"). Seller and Buyer are sometimes referred to herein as a "Party" or the "Parties".

RECITALS

A. Seller is the owner of fifty percent (50%) of the working interest created under those oil, gas and mineral leases described in Exhibit "A" attached hereto (collectively, the "Leases"), together with a thirty-seven and one-half percent (37.5%) portion of the net revenue interest payable thereunder (subject to proportionate reduction, as more specifically set forth herein) insofar as the Leases cover and affect that certain tract of 304.85 acres of land in DeWitt County, Texas more particularly described in Exhibit "B" attached hereto and made a part hereof. The Leases give Seller the right to explore, develop, and extract hydrocarbons from the aforementioned 304.85 acre tract.

B. MRC Energy Company ("MRC") has formed a pooled unit containing 301.85 acres, designated as the Matador Cowey Orca Unit (the "Unit"), which is described on Exhibit "C" attached hereto, and which includes acreage within the Lease, for the cooperative exploration, development and exploitation thereof and toward that end has given notice to Seller of its intention to drill and complete a well within such Unit, known as the Matador Cowey Orca #3H, with API No. 123-33001, and Texas Railroad Commission Permit No. 753436 (hereinafter referred to as the "Well"). Seller's working interest in the Leases constitutes fifty percent (50%) of the total mineral estate under said 301.85 acre Unit.

C. Seller has entered into that certain Joint Operating Agreement dated May 16, 2011 (the "JOA"), with MRC and Matador Production Company as operator, a copy of which is attached hereto as Exhibit "D". MRC has invited Seller to participate in the drilling and completion of the Well pursuant to the terms of the JOA.

D. Seller desires to sell and convey to Buyer and Buyer desires to purchase and acquire from Seller all of Seller's working interest (together with a proportionate part of the net revenue interest as above set forth) in the Leases insofar and only insofar as they provide rights in and to the Well, subject to the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

ARTICLE I PURCHASE AND SALE

1.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell, assign and deliver to Buyer, for the consideration specified in Article 2, all of Seller's working interest in the Leases, insofar, and only insofar, as said Leases cover and relate to the Well and the property adjacent thereto containing approximately eighty (80) acres, more or less, being a rectangular shaped tract with a width of six hundred sixty (660) feet extending from the west at the Proposed First Take Point for the Well described on Exhibit "C", and extending easterly to the Proposed Last Take Point for the Well as described on Exhibit "C", and all unitization, pooling and communitization agreements, declarations, orders, and the units created thereby

relating to the properties and interests relating to the foregoing, and to the production of oil, gas and other hydrocarbons if any, attributable to said properties and interests, and all surface leases, permits, rights-of-way, easements and other surface rights agreements used or held in connection with the exploration, drilling, production, gathering, treatment, processing, storing, sale or disposal of hydrocarbons or produced water from the interests described above (collectively, the "Assets").

1.2 Net Revenue Interest. Buyer understands and acknowledges that the Leases are burdened by royalty interests and/or overriding royalty interests not in excess of twenty-five percent (25%) of production in favor of the lessor(s) thereunder, or Seller's predecessor in title, which may include one or more affiliates of Seller, and thus Buyer is acquiring all of Seller's interest in the Well, which equates to a thirty-seven and one-half percent (37.5%) net revenue interest the Well. Likewise, Buyer understands and acknowledges that Seller's working interest in the Unit is fifty percent (50.0%), and after application of the royalty and other lease burdens, Seller's interest in the Unit is thus a thirty-seven and one-half percent (37.5%) net revenue interest.

1.3 Joint Operating Agreement. Buyer understands and acknowledges that the Well is subject to the terms and provisions of the JOA, as well as that certain Purchase, Sale and Participation Agreement dated May 16, 2011 between Seller and MRC (the "PSPA"), a copy of which has been provided to Buyer.

ARTICLE 2 CONSIDERATION

2.1 Drilling and Completion Costs. In consideration for the assignment of the Assets, Buyer shall pay directly to Matador Production Company, the operator designated under the JOA (the "Operator"), one hundred percent (100.00%) of the costs of drilling, completion and operation of the Well allocated to Seller and/or Buyer in accordance with the JOA (the "Drilling and Completion Costs"), so that Seller and Buyer maintain their status as a "Drilling Party" and "Consenting Party" (as such terms are defined in the JOA) with respect to the Well. The estimated Drilling and Completion Costs have been provided to Buyer by Seller, in the form of an Authorization for Expenditure (the "AFE") for the Well, prepared by the Operator and delivered to Seller, a copy of such AFE is attached hereto as Exhibit "E". Buyer understands and acknowledges that the AFE has been prepared by the Operator, not Seller, and Seller has no control over the contents thereof, the accuracy thereof, or the ability of Operator to drill and complete the Well for the costs set forth in the AFE. Buyer understands and acknowledges that the actual Drilling and Completion Costs may exceed the AFE, and Buyer is responsible for the cost thereof under the terms of the JOA which is attributable to Seller and/or Buyer.

2.2 Deposit. Contemporaneous with the execution of this Agreement, Buyer shall deliver to Seller the sum of One Thousand and no/100 Dollars (\$1,000.00) (the "Deposit"). The Deposit (and all accrued interest thereon) shall be held by Seller and either: (i) retained at Closing by Seller, if the Closing is consummated, and thereafter contributed by Seller to the Drilling and Completion Costs, or (ii) returned to Buyer or retained by Seller in accordance with Section 9.2 if the Closing is not consummated.

2.3 Distribution of Revenues. Buyer shall be entitled to receive one hundred percent (100%) of the revenues attributable to Seller's and/or Buyer's interest in the Assets until such time as Buyer receives revenues from the Assets in an amount equal to the Drilling and Completion Costs actually paid by Buyer to the Operator (herein referred to as "Payout"). Seller agrees to notify the Operator under the JOA to cause all such payments owed to Buyer to be made directly to Buyer, or in the alternative, if such payments are received by Seller, Seller shall deliver the same to Buyer within five (5) days following receipt.

2.4. Re-Assignment of Working Interest. At such time as Buyer achieves Payout, then no later than five (5) days thereafter, Buyer shall assign to Seller by delivery of an assignment instrument substantially in the form attached hereto as Exhibit "F", one-half (1/2) of the Assets previously assigned to Buyer by Seller, so that Buyer and Seller shall each own an undivided twenty-five percent (25%) interest in the Assets. Upon reaching Payout, regardless of when Buyer actually executes and delivers the assignment instrument, (i) Seller and Buyer shall be deemed to each own an undivided twenty-five percent (25%) interest in the Assets (subject to proportionate reduction based on existing Lease burdens); (ii) all revenues with respect to the Assets shall be shared by Buyer and Seller based on their respective ownership percentages; and (iii) all subsequent operations with respect to the Assets shall be on a heads-up basis, defined as on the same terms for each of Buyer and Seller, subject to the terms of the JOA.

2.5 Limited Guaranty. Seller agrees to guarantee Buyer's recovery of at least seventy percent (70%) of the Drilling and Completion Costs in accordance with this Section 2.5. If as of October 1, 2014, Buyer has not received revenues from the Assets in an amount equal to at least seventy percent (70%) of the actual Drilling and Completion Costs funded by Buyer (the "Guaranteed Return"), then Seller shall pay to Buyer in cash an amount to cause Buyer to have received cumulatively, along with all revenues received from the Assets, the Guaranteed Return. In order to secure Seller's limited guaranty obligation hereunder, Seller shall grant to Buyer a security interest in Seller's share of the leasehold attributable to the Matador Orca Love #1H well in DeWitt County, Texas (the "Love #1H unit"). At the Closing, Seller shall execute and deliver to Seller for recordation a Deed of Trust evidencing this security interest in the form attached hereto as Exhibit "H". In the event that Seller's limited guaranty under this Section 2.5 is triggered and Seller fails or refuses to pay Buyer such sums as are necessary to cause Buyer to have received the Guaranteed Return, then Buyer may enforce its security interest against the Love #1H unit in accordance with the provisions of the Texas Business and Commerce Code, and the Texas Property Code. At such time as Buyer has received cumulative revenues from the Assets (or from Seller under this Section 2.5) in an amount equal to the Guaranteed Return, Seller's limited guaranty obligations hereunder shall terminate, and Buyer shall execute and deliver to Seller a Release instrument releasing the security interest in the Love #1H unit. In the event the limited guaranty hereunder is triggered and Seller pays a cash sum to Buyer to reach the Guaranteed Return, or Buyer achieves the Guaranteed Return by enforcing its security interest in the Love Production, then within five (5) days after receipt of the Guaranteed Return, Buyer shall re-assign to Seller one hundred percent (100%) of Buyer's interest in the Assets, by executing and delivering an assignment instrument substantially in the form attached hereto as Exhibit "F".

2.6 Option to Participate in Future Wells. Seller anticipates that it will have the opportunity to fund and participate in the drilling of three (3) wells known as the Matador Orca Lewton #3H, the Matador Orca Lewton #4H, and the Matador Orca Cowey #4H, in DeWitt County, Texas (each, an "Option Well", and collectively, the "Option Wells"). In the event that Seller does not enter into an agreement with MRC or an affiliate of MRC that results in the funding of Seller's cost of an Option Well either in cash or in kind, or results in Seller's interest in an Option Well being sold or assigned to MRC or an affiliate of MRC, then Buyer shall have the option (the "Option"), but not the obligation, to participate in each Option Well on the terms and conditions set forth in this Section 2.6.

a. Within five (5) days after receipt from the operator of an Option Well of a written request for Seller to elect to participate in such Option Well, along with an AFE for such Option Well, Seller shall give written notice thereof to Buyer, along with copies of the notice letter, AFE, and such other supporting documents as the operator may have provided to Seller (the "Option Notice"). The Option Notice shall specify a percentage of Seller's working interest in the Option Well being offered to Buyer, which shall be not less than fifty percent (50%) of Seller's working interest in the Option Well. Buyer in its sole and absolute discretion may elect to exercise its Option to participate in the Option Well

described in the Option Notice by giving written notice thereof to Seller within seven (7) days after Buyer's receipt of the Option Notice.

b. If Buyer exercises the Option and elects to participate in the Option Well described in the Option Notice, then Buyer and Seller shall within ten (10) days after Seller's receipt of Buyer's notice of exercise of the Option, execute a Working Interest Assignment Agreement substantially in the same form as this Agreement, but modified to (i) reflect the identity of the particular Option Well, (ii) specify the percentage of the working interest in the Option Well being acquired by Buyer; and (iii) delete therefrom the limited guaranty provisions of Section 2.5.

c. If Buyer does not exercise the Option to participate in a particular Option Well within the seven (7) day period described in Section 2.6(a) above, then Buyer's right to participate in such Option Well shall terminate. Upon request by Seller, Buyer will execute and deliver an instrument in writing memorializing the termination of the Option with respect to an Option Well for which Buyer does not exercise its Option. However, such termination of the Option as to the Option Well described in a particular Option Notice shall not affect Buyer's remaining Option rights with respect to the other Option Well(s) not described in that particular Option Notice.

d. During the term of this Agreement and until such time as (i) Buyer shall exercise the Option; or (ii) the Option shall terminate, Seller shall not grant any assignment or grant any security interest in any working interest in an Option Well to a party other than Buyer without Buyer's consent. Any sale, gift or other transfer of Seller's interest in the Option Wells after the execution date hereof and prior to the termination of the Option shall be expressly subject to the terms hereof.

e. Buyer understands and acknowledges that Seller has not as of the date hereof received a written notice from the respective operator requesting an election to participate in one or more of the Option Wells, and the operator thereof may elect not to drill such Option Wells. Unless earlier terminated as a result of Buyer electing not to exercise its Option in accordance with Section 2.6(c), the Option created hereunder shall terminate on the date that is one (1) year after the Effective Date of this Agreement.

ARTICLE 3 BUYER'S INSPECTION

3.1 Access to Records. Until Closing, Seller will make available to Buyer and its representatives in Houston, Texas, during Seller's normal business hours, all documents and materials relating to the Assets including but not limited to the Leases, underlying title materials, and the proposed agreements and related documents from MRC (the "Records"), for the purpose of permitting Buyer to perform its due diligence review.

3.2 No Representation or Warranty. Except as set forth in this Agreement, Seller makes no representation or warranty as to the accuracy or completeness of the Records to the extent the same were generated by a party other than Seller. Buyer agrees that any conclusions drawn from such Records shall be the result of its own independent review and judgment.

3.3 Termination. At any time prior to the Closing Date (defined below), should Buyer determine, in its sole discretion, that it does not desire to consummate the transaction described herein, Buyer may terminate this Agreement by giving written notice thereof to Seller, whereupon the Deposit shall be returned to Buyer, and neither party shall have any further obligations hereunder.

ARTICLE 4
TITLE MATTERS

4.1 Permitted Encumbrances. The Assets shall be conveyed to Buyer subject to the following title matters, being referred to herein as the "Permitted Encumbrances":

(a) lessors' royalties, overriding royalties, net profits interests, production payments, reversionary interests and similar burdens existing prior to the Effective Date;

(b) easements, rights-of-way, servitudes, permits, surface leases and other rights with respect to surface operations, on, over or in respect of any of the Leases or any restriction on access thereto that do not materially interfere with the operation of the Leases;

(c) the terms and conditions of the Leases;

(d) liens created under deeds of trust, mortgages and similar instruments by the lessor under the Leases covering the lessor's surface and mineral interests in the land covered thereby, which would customarily be accepted by the original lessee in acquiring oil and gas leases or purchasing undeveloped oil and gas leases and for which the lessee would customarily seek a subordination of such lien to the oil and gas leasehold estate prior to conducting drilling activities on the Leases;

(e) all other liens, charges, encumbrances, contracts, agreements, instruments, obligations, defects and irregularities affecting the Assets customarily accepted by the original lessee in acquiring or purchasing undeveloped oil and gas fee leases in the area where the Leases are located and which the lessee would customarily waive or seek to cure after acquiring the Leases, but prior to conducting drilling activities on the Leases;

(f) liens for taxes or assessments not yet due and delinquent or, if delinquent, that are being contested in good faith in the normal course of business;

(g) rights reserved to or vested in any federal, state, or local governmental body, authority or agency to control or regulate any of the Assets in any manner; and all applicable laws, rules, regulations and orders of general applicability in the area of the Assets;

(h) defects in the early chain of title consisting of the mere failure to recite marital status in a document or omissions of successors of heirship proceedings, unless Buyer provides affirmative evidence that such failure or omission has resulted in another party's actual and superior claim of title to the relevant Asset;

(i) defects arising out of lack of corporate authorization unless Buyer provides affirmative evidence that such corporate action was not authorized and results in another party's actual and superior claim of title to the Asset;

(j) defects that have been cured by possession under applicable statutes of limitation for adverse possession or for prescription;

(k) defects based solely on lack of information in Seller's files, excluding the gross negligence or willful misconduct of Seller;

(l) defects arising out of lack of survey, unless a survey is required by applicable laws or regulations;

(m) the terms and provisions of the JOA and the PSPA; and

(n) to the extent not expressed in the underlying Leases, Seller is retaining an overriding royalty interest in the Leases in a percentage equal to the positive difference, if any, between the existing royalty burden on the Leases and twenty-five percent (25%).

ARTICLE 5
SELLER'S REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties as of the date of the Agreement and again as of the Closing Date:

5.1 Status. Seller is a joint venture duly organized, validly existing and in good standing under the laws of the State of Texas, and is, or as of the Closing Date will be, duly qualified to carry on its business in Texas.

5.2 Power. Seller has all requisite power and authority to carry on its business as presently conducted. The execution and delivery of this Agreement does not, and the fulfillment of and compliance with the terms and conditions hereof will not violate, or be in conflict with, any material provision of Seller's governing documents, or any material provision of any agreement or instrument to which Seller is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to Seller.

5.3 Authorization and Enforceability. This Agreement constitutes Seller's legal, valid and binding obligation, enforceable in accordance with its terms, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium and other laws for the protection of creditors, as well as to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

5.4 No Liens. Except for the Permitted Encumbrances, the Assets will be conveyed to Buyer at Closing free and clear of all liens and encumbrances arising by, through or under Seller but not otherwise.

5.5 Liability for Brokers' Fees. Seller has not incurred any liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement for which Buyer shall have any responsibility whatsoever.

5.6 No Bankruptcy. There are no bankruptcy proceedings pending, being contemplated by or, threatened against Seller.

5.7 Litigation. There are no actions or suits pending against Seller with respect to the Assets and, to Seller's knowledge, there is no proceeding, claim or investigation pending or threatened with respect to the Assets, except as described on Exhibit "G".

5.8 Lease Status/Rentals. Seller has not received a written notice of any request or demand for payments, adjustments of payments or performance pursuant to obligations under the Leases that are still outstanding. Seller has not received a written notice of default with respect to the payment or calculation of rentals that has not been cured.

5.9 Compliance With Laws. Seller has not received written notice from any governmental agency that Seller's ownership or operation of the Assets is in violation of any applicable federal, state and local laws, including environmental laws, in any material respect.

5.10 No Operations. Seller has not conducted oil and gas exploration, development or production operations on the Leases, or any lands pooled or unitized therewith.

ARTICLE 6 BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer makes the following representations and warranties as of the Closing Date:

6.1 Organization and Standing. Buyer is a limited partnership duly organized, validly existing and in good standing under the laws of Texas.

6.2 Power. Buyer has all requisite power and authority to carry on its business as presently conducted. The execution and delivery of this Agreement does not, and the fulfillment of and compliance with the terms and conditions hereof will not, as of the Closing Date, violate, or be in conflict with, any material provision of Buyer's governing documents, or any material provision of any agreement or instrument to which Buyer is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to Buyer.

6.3 Authorization and Enforceability. This Agreement constitutes Buyer's legal, valid and binding obligation, enforceable in accordance with its terms, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium and other laws for the protection of creditors, as well as to general principles of equity, regardless whether such enforceability is considered in a proceeding in equity or at law.

6.4 Liability for Brokers' Fees. Buyer has not incurred any liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement for which Seller shall have any responsibility whatsoever.

6.5 Buyer's Evaluation. Buyer is an experienced and knowledgeable investor in the oil and gas business. Buyer has been advised by and has relied solely upon its own expertise in legal, tax and other professional counsel concerning the transaction contemplated by this Agreement, the Assets and the value thereof.

ARTICLE 7 COVENANTS AND AGREEMENTS

7.1 Covenants and Agreements of Seller. Seller covenants and agrees with Buyer that, from the date of execution hereof until the Closing Date, without the consent of Buyer, which consent shall not be unreasonably withheld, Seller shall not (i) commit to drill any wells on the Lands or conduct any oil and gas exploration, development or production operations on the Leases, or any lands pooled or unitized therewith, (ii) abandon any part of the Assets; (iii) sell, transfer, assign, convey or otherwise dispose of any of the Assets, or any interest therein; (iv) enter into any farm-out agreement, farm-in agreement or any other contract affecting the Assets; (v) modify or terminate the Leases; or (vi) create any lien, security interest or encumbrance on the Assets, the oil or gas attributable to the Assets, or the proceeds thereof.

ARTICLE 8
CONDITIONS PRECEDENT TO CLOSING

8.1 Seller's Conditions. The obligations of Seller at the Closing are subject, at the option of Seller, to the satisfaction or waiver at or prior to the Closing of the following conditions precedent:

(a) All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing, and Buyer shall have performed and satisfied all covenants and agreements required by this Agreement to be performed and satisfied by Buyer at or prior to the Closing in all material respects;

(b) Buyer stands ready, willing and able to Close with Seller; and

(c) No order has been entered by any court or governmental agency having jurisdiction over the Parties or the subject matter of this Agreement that restrains or prohibits the purchase and sale contemplated by this Agreement and that remains in effect at Closing.

8.2 Buyer's Conditions. The obligations of Buyer at the Closing are subject, at the option of Buyer, to the satisfaction or waiver at or prior to Closing of the following conditions precedent:

(a) All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing, and Seller shall have performed and satisfied all covenants and agreements required by this Agreement to be performed and satisfied by Seller at or prior to the Closing in all material respects;

(b) Seller stands ready, willing and able to Close with Buyer, and

(c) No order has been entered by any court or governmental agency having jurisdiction over the Parties or the subject matter of this Agreement that restrains or prohibits the purchase and sale contemplated by this Agreement and that remains in effect at the time of Closing.

ARTICLE 9
RIGHT OF TERMINATION

9.1 Termination. This Agreement may be terminated in accordance with the following provisions:

(a) by Seller if the conditions set forth in Section 8.1 are not satisfied, through no fault of Seller, or waived by Seller in writing, as of Closing; or

(b) by Buyer if the conditions set forth in Section 8.2 are not satisfied, through no fault of Buyer, or waived by Buyer in writing, as of Closing.

9.2 Remedies Upon Termination.

(a) Buyer's Default. If Closing does not occur because Buyer wrongfully fails to tender performance at Closing or otherwise materially breaches this Agreement prior to Closing, and if Seller is not in material default under this Agreement and is ready, willing and able to Close, Seller shall retain the Deposit (and all accrued interest thereon) as liquidated damages and Seller's sole remedy at law and in equity. The Parties agree that the damages that would be suffered by Seller as a result of Buyer's breach would be difficult to estimate and that the liquidated damages described herein represent a

reasonable estimation of such damages and do not constitute a penalty. Buyer's failure to close shall not be considered wrongful if Buyer's conditions under Section 8.2 are not satisfied through no fault of Buyer and are not waived by Buyer.

(b) Seller's Default. If Closing does not occur because Seller wrongfully fails to tender performance at Closing or otherwise materially breaches this Agreement prior to Closing, and Buyer is not in material default under this Agreement and is ready, willing and able to Close, Seller shall return the Deposit (without interest) to Buyer, and Buyer shall retain any legal or equitable remedies for Seller's breach of this Agreement including, without limitation, specific performance. Seller's failure to close shall not be considered wrongful if (i) Seller's conditions under Section 8.1 are not satisfied through no fault of Seller and are not waived by Seller.

(c) Other Termination. If Seller and Buyer agree to terminate this Agreement, each Party shall release the other Party from any and all liability for termination of this Agreement, and Seller shall return the Deposit (without interest) to Buyer.

ARTICLE 10

CLOSING

10.1 Closing. The "Closing" of the transaction contemplated hereby shall be held on February __, 2013, or such other date as the Parties may agree. The date the Closing actually occurs is referred to herein as the "Closing Date."

10.2 Closing Obligations. At Closing, the following events shall occur, each being a condition precedent to the others and each being deemed to have occurred simultaneously with the others:

(a) Assignment and Conveyance. Seller and Buyer shall execute, acknowledge and deliver the Assignment and Conveyance instrument substantially in the form of Exhibit "F" attached hereto.

(b) JOA. To the extent it has not already done so, Seller shall execute and deliver to the Operator an executed counterpart of the JOA, and simultaneously deliver a copy of the same to Buyer. Once Seller obtains a fully-executed version of the JOA, Seller shall provide the same to Buyer.

(c) Possession. Seller shall deliver to Buyer possession of the Assets.

(d) UCC-1. Seller shall deliver to Buyer a completed UCC-1 financing statement in accordance with the terms of Section 2.5 hereof.

ARTICLE 11

POST-CLOSING OBLIGATIONS

11.1 Recording Fees. Buyer shall be responsible for payment of the recording fees to the extent Buyer desires to have the Assignment and/or the Deed of Trust referenced in Section 2.5 hereof recorded in the real property records of DeWitt County, Texas.

11.2 Payment of Drilling Costs. Buyer shall, following Closing, pay to the Operator under the JOA its share of the Drilling and Completion Costs, in a timely manner, so as to preserve the status of Buyer and Seller as a Drilling Party and Consenting Party under the JOA (as such terms are defined in the JOA). Delivery of payment of the Drilling and Completion Costs shall be in accordance with the instructions of the Operator, or as provided in the JOA, but in any event prior to such obligation

becoming delinquent under the respective JOA, or resulting in Buyer or Seller being deemed a Non-Consenting Party thereunder. Seller shall, no later than five (5) days after receipt, deliver to Buyer any notices, demands, or other communications received from Operator or any other party to each JOA which relate to the Well or the JOA.

11.3 Further Assurances. From time to time after Closing, Seller and Buyer shall each execute, acknowledge and deliver to the other such further instruments and take such other action as may be reasonably requested in order to accomplish more effectively the purposes of the transactions contemplated by this Agreement, including assurances that Seller and Buyer are financially capable of performing any indemnification required hereunder.

11.4 Post-Closing Default. In the event Buyer shall fail or refuse to pay the Drilling and Completion Costs when due, then following the expiration of any notice and cure periods in the JOA, Seller may pay the same to the Operator under the JOA directly (each such payment being referred to herein as a "Cure Payment"), on or before the date that such non-payment by Buyer would result in Seller being deemed a Non-Consenting Party under the JOA. If Seller makes any such Cure Payment, then Buyer shall re-assign and transfer to Seller an undivided interest in the Assets equal to the percentage that the Cure Payment bears to the total Drilling and Completion Costs (including the Cure Payment). Such re-assignment shall be made within ten (10) days after written request from Seller which request includes the Operator's written acknowledgement of receipt of the Cure Payment. Such re-assignment shall be substantially in the form of the Assignment and Conveyance instrument attached hereto as Exhibit "F". The foregoing right to make Cure Payments and obtain a re-assignment of the working interest in the Assets is in addition to any other remedies available to Seller at law, or in the JOA.

ARTICLE 12 ASSUMPTION AND RETENTION OF OBLIGATIONS

12.1 Buyer's Assumption of Liabilities and Obligations. Upon Closing, Buyer shall assume and pay, perform, fulfill and discharge its pro-rata share of all claims, costs, expenses, liabilities and obligations relating to the ownership or operation of the Assets arising on or after the Closing Date.

12.2 Seller's Liabilities and Obligations. Seller shall perform, fulfill and discharge all claims, costs, expenses, liabilities and obligations relating to the ownership or operation of the Assets arising prior to the Closing Date.

ARTICLE 13 MISCELLANEOUS

13.1 Exhibits. The Exhibits to this Agreement are hereby incorporated in this Agreement by reference and constitute a part of this Agreement.

13.2 Expenses. Except as otherwise specifically provided, all fees, costs and expenses incurred by Buyer or Seller in negotiating this Agreement or in consummating the transactions contemplated by this Agreement shall be paid by the Party incurring such fees, costs or expenses, including, without limitation, engineering, land, title, legal and accounting fees, costs and expenses.

13.3 Notices. All notices and communications required or permitted under this Agreement shall be in writing and addressed as set forth below. Any communication or delivery hereunder shall be deemed to have been duly made and the receiving Party charged with notice (i) if personally delivered, when received, (ii) if sent by facsimile transmission, when received, (iii) if mailed, five business days after mailing, certified mail, return receipt requested, or (iv) if sent by overnight courier, one day after

sending. All notices shall be addressed to a Party at the address for such Party set forth below their respective signature blocks. Any Party may, by written notice so delivered to the other Parties, change the address or individual to which delivery shall thereafter be made.

13.4 Amendments. Except for waivers specifically provided for in this Agreement, this Agreement may not be amended nor any rights hereunder waived except by an instrument in writing signed by the Party to be charged with such amendment or waiver and delivered by such Party to the Party claiming the benefit of such amendment or waiver.

13.5 Headings. The headings of the Articles and Sections of this Agreement are for guidance and convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of this Agreement.

13.6 Counterparts/Fax Signatures. This Agreement may be executed by Buyer and Seller in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument. Fax or pdf signatures shall be considered binding.

13.7 References. References made in this Agreement, including use of a pronoun, shall be deemed to include where applicable, masculine, feminine, singular or plural, individuals or entities. As used in this Agreement, "person" shall mean any natural person, corporation, partnership, trust, limited liability company, court, agency, government, board, commission, estate or other entity or authority.

13.8 Governing Law; Wavier of Jury Trial. This Agreement and the transactions contemplated hereby and any arbitration or dispute resolution conducted pursuant hereto shall be construed in accordance with, and governed by, the laws of the State of Texas, without regard to its conflicts of laws rules. Each of the Parties hereby knowingly, voluntarily and intentionally waives any right it may have to a trial by jury in respect of any litigation based hereon, or arising out of, under or in connection with this Agreement and any Agreement contemplated to be executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any Party. This provision is a material inducement for the Parties entering into this Agreement.

13.9 Entire Agreement. This Agreement constitutes the entire understanding among the Parties, their respective partners, members, trustees, shareholders, officers, directors and employees with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter.

13.10 Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto, and their respective successors and assigns.

13.11 No Third-Party Beneficiaries. This Agreement is intended only to benefit the Parties hereto and their respective permitted successors and assigns.

13.12 Waiver. The waiver or failure of any Party to enforce any provision of this Agreement shall not be construed or operate as a waiver of any further breach of such provision or of any other provision of this Agreement.

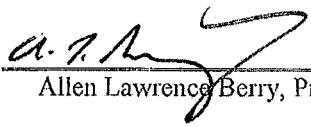
13.13 Limitation on Damages. The Parties hereto expressly waive any and all rights to consequential, special, incidental, punitive or exemplary damages, or loss of profits resulting from any breach of this Agreement.

13.14 Severability. It is the intent of the Parties that the provisions contained in this Agreement shall be severable. Should any provisions, in whole or in part, be held invalid as a matter of law, such holding shall not affect the other portions of this Agreement, and such portions that are not invalid shall be given effect without the invalid portion.

IN WITNESS WHEREOF the Parties have executed this Agreement effective as of the Effective Date.

SELLER:
Orca ICI Development JV, a Texas joint venture

By: Orca Assets GP, LLC, a Texas limited liability company,
managing partner


By: 
Allen Lawrence Berry, President

Address for Notice Purposes:

5005 Riverway, Suite 440
Houston, Texas, 77056
Attn: Greg Forero
Tel: 713-963-9112
Fax: _____

BUYER:


XS Capital Investments, LP, a Texas limited partnership

By: 
Name: Adam Sim
Title: President

Address for Notice Purposes:

206 S. Tennessee St.
McKinney, Texas, 75069-5618
Attn: _____
Tel: _____

RURAL ROUTE 3 HOLDINGS, LP, a Texas limited partnership

By: 
Name: Adam Sim
Title: President

Address for Notice Purposes:

206 S. Tennessee St.
McKinney, Texas, 75069-5618
Attn: _____
Tel: _____
Fax: _____

Exhibits:

- Exhibit A: Lease
- Exhibit B: Description of 458.1 acre tract
- Exhibit C: Unit Plat
- Exhibit D: JOA
- Exhibit E: AFE
- Exhibit F: Form of Assignment
- Exhibit G: Pending Litigation

EXHIBIT "A"
LEASES

1. That certain Oil, Gas and Mineral Lease dated May 19, 2010, between Randy Joseph Cowey and Michelle Noreen Cowey as Lessor, and Orca Assets GP, LLC, as Lessee, as memorialized in that certain Memorandum of Oil, Gas and Mineral Lease of even date therewith, executed by said Lessor and Lessee, and recorded on June 3, 2010, as Instrument No. 69543, Official Public Records of DeWitt County, Texas, and in Volume 312, Page 865, Official Public Records of DeWitt County, Texas; said lease having been assigned by Orca Assets GP, LLC to Orca ICI Development JV under that certain Assignment of Oil and Gas Leases dated October 30, 2010, and recorded in Volume 330, Page 618, Official Public Records of DeWitt County, Texas.

2. That certain Oil, Gas and Mineral Lease dated May 19, 2010, between Hilmar Cowey, Jr., as Lessor, and Orca Assets GP, LLC, as Lessee, as memorialized in that certain Memorandum of Oil, Gas and Mineral Lease dated May 19, 2010, executed by said Lessor and Lessee, and recorded as Instrument No. 69542, Official Public Records of DeWitt County, Texas, and in Volume 312, Page 863, Official Public Records of DeWitt County, Texas; said lease having been assigned by Orca Assets GP, LLC to Orca ICI Development JV under that certain Assignment of Oil and Gas Leases dated October 30, 2010, and recorded in Volume 330, Page 618, Official Public Records of DeWitt County, Texas.

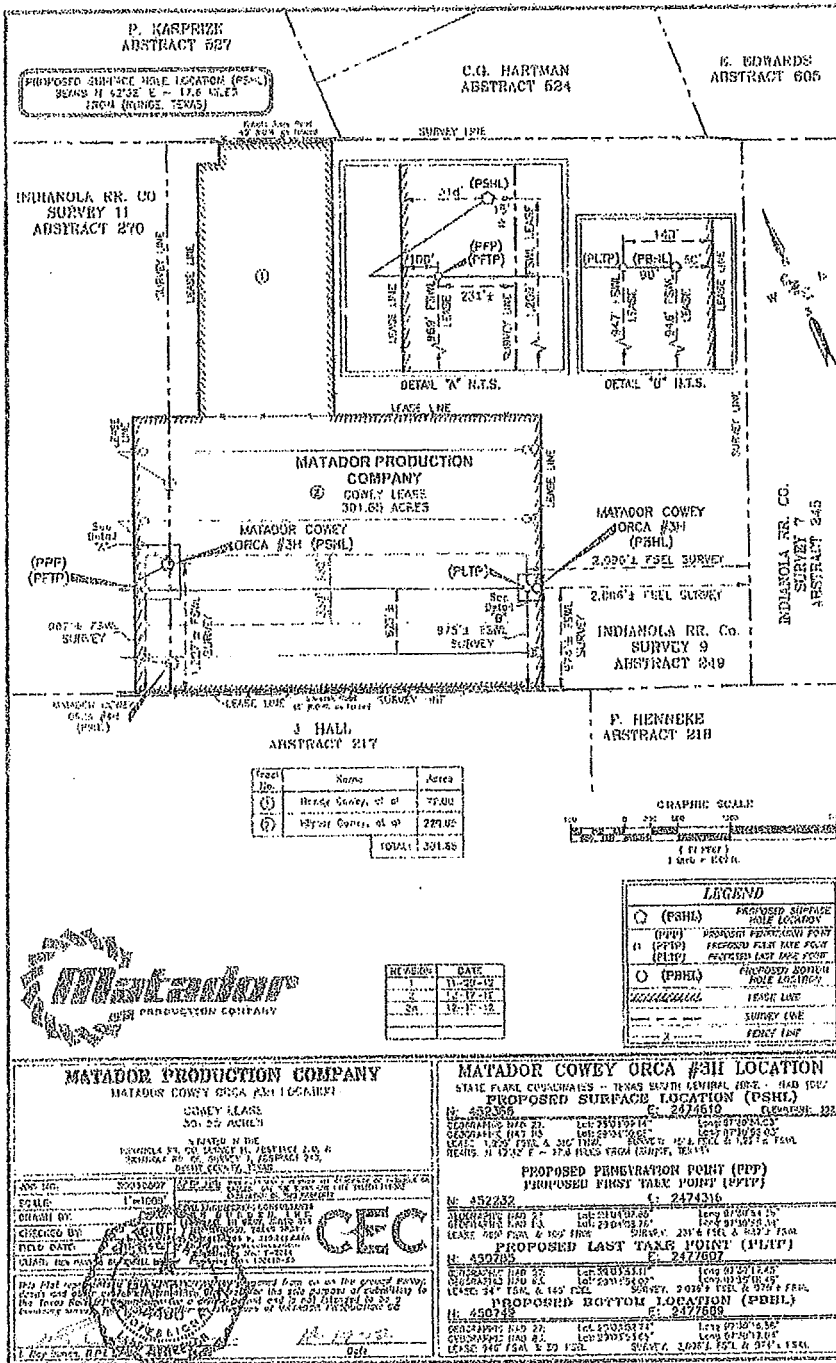
EXHIBIT "B"

Legal Description of 304.85 acre tract

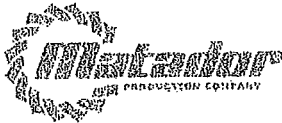
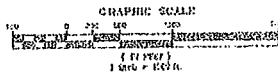
Tract 1: 75 acres, more or less, in the Indianola Railroad Company Survey No. 9, Abstract 249, in DeWitt County, Texas, more fully described in a deed dated March 12, 2007, from P&R Properties to Randy Joseph Cowey et ux, recorded in Volume 219, Page 22, Official Public Records of DeWitt County, Texas.

Tract 2: 229.85 acres, more or less, in the Indianola Railroad Company Survey No. 9, Abstract 249, and the Indianola Railroad Company Survey No. 11, Abstract 270, in DeWitt County, Texas, more fully described in a deed dated January 31, 2007, from P&R Properties, a Texas general partnership, to Hilmer Cowey, Jr., recorded in Volume 215, Page 154, Official Public Records of DeWitt County, Texas.

EXHIBIT "C"
Unit Plat



Well No.	Name	Acre
(1)	Henry Cowey, et al	75.00
(2)	Henry Cowey, et al	226.83
TOTAL		301.83



REVISION	DATE
1	1-20-12
2	1-17-12
3	1-17-12

LEGEND	
(PSHL)	PROPOSED SURFACE WELL LOCATION
(PPF)	PROPOSED FIRST TAKE POINT
(PLTP)	PROPOSED LAST TAKE POINT
(PBHL)	PROPOSED BOTTOM WELL LOCATION
---	LEASE LINE
---	SURVEY LINE
---	FENCE LINE

MATADOR PRODUCTION COMPANY
MATADOR COWEY ORCA #3H LOCATION
COWEY LEASE
301.83 ACRES
NEAR TO THE
INDIANOLA RR. CO. SURVEY 11, PARTIAL SEC. 8,
SHERIDAN CO. TEXAS, 23RD & 24TH STS.,
SHERIDAN COUNTY, TEXAS

SCALE: 1" = 100'

CHECKED BY: [Signature]

FIELD DATE: [Date]

DATE: [Date]

BY: [Signature]

FOR THAT OFFICE: [Signature]

THIS UNIT PLAT IS A PART OF THE MATADOR COWEY LEASE, 301.83 ACRES, SHERIDAN COUNTY, TEXAS, AND IS SUBJECT TO THE TERMS AND CONDITIONS OF SAID LEASE.

MATADOR COWEY ORCA #3H LOCATION
STATE PLATE COORDINATES - TEXAS SOUTH CENTRAL DIST. - 1448 1002
PROPOSED SURFACE LOCATION (PSHL)
N. 452232 E. 247416
EASTING: 1448 1002 N. 452232
SOUTHING: 1002 247416
COORDINATE: 1448 1002, 1002 247416
SECTION: 34 T4M & 14S 12E SURVEY: 2014 F&L & 2012 F&L
LEASE: 1448 1002 & 1002 247416 SURVEY: 2014 F&L & 2012 F&L
RANGE: N 12° 00' E - 27.8 FEET FROM CORNER, TEXAS

PROPOSED PENETRATION POINT (PPF)
PROPOSED FIRST TAKE POINT (PLTP)
N. 452232 E. 247416

PROPOSED LAST TAKE POINT (PLTP)
N. 450780 E. 247460

PROPOSED BOTTOM LOCATION (PBHL)
N. 450780 E. 247460
EASTING: 1448 1002 N. 450780
SOUTHING: 1002 247460
COORDINATE: 1448 1002, 1002 247460
SECTION: 34 T4M & 14S 12E SURVEY: 2014 F&L & 2012 F&L
LEASE: 1448 1002 & 1002 247460 SURVEY: 2014 F&L & 2012 F&L

EXHIBIT "D"

JOA

EXHIBIT "F"

Form of Assignment Instrument

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

ASSIGNMENT AND CONVEYANCE

This Assignment and Conveyance (the "Assignment") dated as of Feb 14th, 2013, is by and between Orca ICI Development JV, a Texas joint venture, whose address is 5005 Riverway Suite 440, Houston, Texas, 77056 ("Assignor") and XS Capital Investments, LP, a Texas limited partnership, whose address is 206 S. Tennessee St., McKinney, Texas, 75069-5618 and Rural Route 3 Holdings, LP, a Texas limited partnership, whose address is 206 S. Tennessee St., McKinney, Texas, 75069-5618 (collectively, "Assignee").

For Ten Dollars and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Assignor does hereby grant, bargain, sell, convey, assign, transfer, set over and deliver to Assignee all of Assignor's right, title and interest in and to the following (collectively, the "Assets"): An undivided fifty percent (50%) of the working interest (together with a 37.5% net revenue interest, subject to proportionate reduction) in and to (i) that certain Oil, Gas and Mineral Lease dated May 19, 2010, between Randy Joseph Cowey and Michelle Noreen Cowey as Lessor, and Orca Assets GP, LLC, as Lessee, as memorialized in that certain Memorandum of Oil, Gas and Mineral Lease of even date therewith, executed by said Lessor and Lessee, and recorded on June 3, 2010, as Instrument No. 69543, Official Public Records of DeWitt County, Texas, and in Volume 312, Page 865, Official Public Records of DeWitt County, Texas; said lease having been assigned by Orca Assets GP, LLC to Orca ICI Development JV under that certain Assignment of Oil and Gas Leases dated October 30, 2010, and recorded in Volume 330, Page 618, Official Public Records of DeWitt County, Texas; and (ii) that certain Oil, Gas and Mineral Lease dated May 19, 2010, between Hilmar Cowey, Jr., as Lessor, and Orca Assets GP, LLC, as Lessee, as memorialized in that certain Memorandum of Oil, Gas and Mineral Lease dated May 19, 2010, executed by said Lessor and Lessee, and recorded as Instrument No. 69542, Official Public Records of DeWitt County, Texas, and in Volume 312, Page 863, Official Public Records of DeWitt County, Texas; said lease having been assigned by Orca Assets GP, LLC to Orca ICI Development JV under that certain Assignment of Oil and Gas Leases dated October 30, 2010, and recorded in Volume 330, Page 618, Official Public Records of DeWitt County, Texas; **insofar, and only insofar**, as said leases cover and relate to the Matador Cowey Orca #3H Well, with API No. 123-33001, and Texas Railroad Commission Permit No. 753436 and the property adjacent thereto containing approximately eighty (80) acres, more or less, being a rectangular shaped tract with a width of six hundred sixty (660) feet extending from the west at the Proposed First Take Point for said well described on Exhibit "A" attached hereto, and extending easterly to the Proposed Last Take Point for said well as described on Exhibit "A" attached hereto, and all unitization, pooling and communitization agreements, declarations, orders, and the units created thereby relating to the properties and interests relating to the foregoing, and to the production of oil, gas and other hydrocarbons if any, attributable to said properties and interests, and all surface leases, permits, rights-of-way, easements and other surface rights agreements used or held in connection with the exploration, drilling, production, gathering, treatment, processing, storing, sale or disposal of hydrocarbons or produced water from the interests described above.

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever, subject to the following terms and conditions.

Assignor agrees to warrant and forever defend title to the Assets unto Assignee against the claims and demands of all persons claiming, or to claim the same, or any part thereof, by, through or under Assignor, but not otherwise.

This Assignment is made subject to the terms and conditions of that certain Working Interest Purchase and Sale Agreement dated February __, 2013 by and between Assignor and Assignee (the "Agreement"). This Assignment shall not be construed to amend the Agreement or vary the rights or obligations of either Assignor or Assignee from those set forth in the Agreement. In the event of any conflict between this Assignment and the Agreement, the terms of the Agreement shall control. All defined terms in this Assignment have the same meaning as set forth in the Agreement. This Assignment is further made subject to the terms and provisions of the JOA and the PSPA (as such terms are defined in the Agreement). This Assignment is made further subject to the Permitted Exceptions as such are defined in the Agreement.

Assignor excepts from this Assignment, and reserves unto itself, its successors and assigns, an overriding royalty interest in a percentage equal to the positive difference, if any, between all existing royalties burdening the Leases as of the date hereof, and Twenty-Five Percent (25.0% of 8/8ths) of all oil, gas and associated hydrocarbons which may be produced, saved and marketed from the Leases.

The overriding royalty interest reserved herein shall be delivered and paid free and clear of all development and operating costs and expenses but shall bear its proportionate part of all post-production costs and expenses of the production attributable to the Leases, including processing, treating, compressing, gathering, transporting and dehydrating such production or rendering the same merchantable and any ad valorem, gross production, severance and other similar taxes levied upon such overriding royalty interest or measured by the production of oil or gas attributable thereto. The overriding royalty interest reserved herein shall be subject to the operator's free fuel provisions, if any, contained in any of the Leases.

This Assignment binds and inures to the benefit of Assignor and Assignee and their respective successors and assigns.

This Assignment may be executed in several counterparts and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Assignment has been executed by the parties hereto effective as of February 24, 2013.

ASSIGNOR:

Orca ICI Development JV, a Texas joint venture

By: Orca Assets GP, LLC, a Texas limited liability company, managing partner

By: 
Allen Lawrence Berry, President

ASSIGNEE:

XS Capital Investments, L.P.,
a Texas limited partnership

Rural Route 3 Holdings, L.P.,
a Texas limited partnership

By: [Signature]
Name: Adam Sava
Title: President

By: [Signature]
Name: Adam Sava
Title: President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on _____ 2013, by Allen Lawrence Berry, President of Orca Assets GP, LLC, a Texas limited liability company, the Managing Partner of Orca ICI Development JV, a Texas joint venture, on behalf of said entities.

Notary Public Signature

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____ 2013, by _____, the _____ of XS Capital Investments, LP, a Texas limited partnership, on behalf of said partnership.

Notary Public Signature

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____ 2013, by _____, the _____ of Rural Route 3 Holdings, L.P., a Texas limited partnership, on behalf of said partnership.

Notary Public Signature

EXHIBIT "G"

Pending Litigation/Arbitration

1. Orca ICI Development JV, is involved in an arbitration proceeding with MRC Energy Company, under which Orca ICI Development JV is seeking to enforce certain terms and provisions of the PSPA (defined above). The arbitration is pending.
2. Litigation pending in District Court in Harris County, Texas, between Orca Assets GP, LLC, the Managing Partner of Orca ICI Development JV, along with other affiliated entities as plaintiffs, and Tony Villalon as defendant. Villalon was a landman engaged by West 17th Resources, LLC, an affiliate of Orca Assets GP, LLC. The dispute centers on the amount of compensation, if any, owed to Villalon for services provided pursuant to his landman contract.

Exhibit "H"

Form of Deed of Trust