

2. As alleged in the Complaint filed herein, Travis Correll, with assistance from Gregory Thompson (“Thompson”), Dwight Johnson and others, operated a *Ponzi* scheme and defrauded numerous investors out of millions of dollars. The defendants then used these investor funds to invest in and purchase various assets around the country for their own personal use and benefit, or for that of their friends and families.

3. The Receiver has undertaken substantial efforts to locate assets of the Receivership Estate, as those assets are defined under the Receivership Orders. The Receivership Estate is comprised of any and all assets, liquid or illiquid, personal or real property that was purchased or acquired, directly or indirectly, using improperly acquired investor funds. (Amended Order Appointing Receiver [Doc. 253] at ¶ 1). Among other things, the Receivership Orders state: “The Receiver shall have and possess all powers and rights to administer and manage the Receivers Estate, including, but not limited to the power and authority to:...(e) to sell, rent, lease or otherwise hypothecate or dispose of the assets of the Receiver Estate.” *Id.* at ¶ 5(e).

4. On October 31, 2006, the Court entered an Agreed Judgment as to Defendant Gregory W. Thompson (Doc. 180), and on July 17, 2010, the Court signed a Final Judgment against Defendant Gregory W. Thompsons, Setting Monetary Relief and Reciting Previously Imposed Injunctions (Doc. 483) (the “Final Judgment”). In the Final Judgment, the Court ordered Thompson to pay a total of \$195,330.00 representing disgorgement, interest and civil

penalties (the “Judgment Amount”) *to the Receiver*.¹ *Id.* at 5. Thompson has failed to satisfy the final judgment or make full payment to the Receiver as ordered.

5. Accordingly, in connection with the Receiver’s investigation, the Receiver has learned that Thompson owned certain producing oil and gas interests in roughly 6,259 acres situated on the Browne Family Ranch located partially in Frio County and partially in Zavala County, Texas (known as the “Browne Lease”), which is non-exempt property of Thompson and is available to be liquidated and applied to the Judgment Amount. Therefore, Thompson’s 8% interest in the Browne Lease (the “Thompson Interest”) that the Receiver has been administering is part of the Receivership Estate and, thus, subject to sale by the Receiver.

6. On August 8, 2012, the Receiver filed his notice to sell the Thompson Interest at a public sale in this Court. (Doc. 504). The public sale of the interest has been noticed (as described below) and scheduled for 10:00 a.m. on September 12, 2012.

THE PUBLIC SALE

7. The Receiver, pursuant to 28 U.S.C. § 2001, *et seq.*, made arrangements to publish the Notice of Sale, in the form attached hereto as **Exhibit “A”** (the “Notice of Sale”), in the *Frio Nueces-Current* and the *Zavala County Sentinel* (the “Newspapers”) on August 16th, 23rd, 30th, and September 6th of 2012. The Newspapers are of general circulation in the counties in which the Thompson Interest is located. The Notice of Sale gave the Thompson Interest’s legal description and also referenced where the Browne Lease may be found in the property records of Frio and Zavala Counties. Further, the title of this Court and file number of this cause, the time and place of sale, the minimum bid requirement and the name and contact

¹ . This amount was in addition to in excess of \$1.1 million in Thompson’s ill-gotten gain that the Receiver had already recovered and credited to the calculated judgment amount.

information of the facilitator were disclosed in the Notice of Sale, pursuant to 28 U.S.C. § 2001, *et seq.*

8. Additionally, the Notice of Sale was also served on all parties of record in cause no. 10-10-00318CVF, styled, *John Shepard et al. vs. Nash et al.*, in the 81st Judicial District Court of Frio County, Texas, wherein other working interest owners of the Browne Lease have brought a declaratory judgment action to settle the title thereto.

9. Pursuant to 28 U.S.C. § 2002, the public sale of the Thompson Interest is to promptly open at the United States District Court for the Eastern District of Texas, Sherman Division, 7904 Preston Road, Plano, Texas 75024, on September 12, 2012, at 10:00 a.m. Clark B. Will of Quilling, Selander, Lownds, Winslett & Moser, P.C., located at 2001 Bryan Street, Suite 1800, Dallas, Texas 75201, will conduct the sale.

10. The hearing on this motion is being scheduled for after the time of the public sale. Counsel for the Receiver will report to the court at that time and provide proof of publication of all required notices, the identity of the highest bidder, the sale price and any other details of the sale as required by 28 U.S.C. § 2001, *et seq.*

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that the Court enter an order approving and confirming the sale of the Thompson Interest and such other and further relief, both at law and in equity, to which he may be justly entitled.

Respectfully submitted,

**QUILLING, SELANDER, LOWNDS,
WINSLETT & MOSER, P.C.**

2001 Bryan Street, Suite 1800

Dallas, Texas 75201

(214) 871-2100 (Telephone)

(214) 871-2111 (Facsimile)

By: /s/ Clark B. Will

Clark B. Will, SBN 21502500

cwill@qslwm.com

Michael D. Clark, SBN 00798108

mclark@qslwm.com

Derek T. Bragg, SBN 24078255

dbragg@qslwm.com

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

On this 14th day of August, 2012, a copy of this pleading was served all counsel of record and other interested parties through the Court's electronic filing system.

 /s/ Clark B. Will

Clark B. Will

CERTIFICATE OF CONFERENCE

The undersigned counsel has complied with the meet and confer requirement in Local Rule CV-7(h) and the motion is unopposed.

 /s/ Clark B. Will

Clark B. Will

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION, §
Plaintiff, §

v. §

CAUSE NO. 4:05-CV-472

TRAVIS E. CORRELL, GREGORY THOMPSON, §
DWIGHT JOHNSON, HARRY ROBINSON §
"ROBBY" GOWDEY, et al., §
Defendants, §

and §

BANNER SHIELD, LLC, HOSPITALITY §
MANAGEMENT GROUP, INC., CREATIVE §
WEALTH VENTURES and JTA ENTERPRISES, §
Relief Defendants. §

**NOTICE OF PUBLIC SALE OF INTEREST IN REAL PROPERTY BY
RECEIVER**

TO THE HONORABLE RICHARD A. SCHELL, UNITED STATES DISTRICT JUDGE:

COMES NOW S. Gregory Hays, the duly appointed and acting Receiver in this action (the "Receiver"), and files this his Notice of Public Sale of Interest in Real Property by Receiver, showing the Court as follows:

INTRODUCTION

1. As the Court is aware, it appointed Mr. S. Gregory Hays as Receiver for the defendants and relief defendants in the instant litigation, including Gregory Thompson on December 7, 2005, when this Court entered the Order Appointing Receiver (Doc. 7); which was subsequently amended on September 24, 2007, when the Amended Order Appointing Receiver was entered (Doc. 235) (collectively the "Receivership Orders"). As alleged in the Complaint



filed herein, Travis Correll, with assistance from Gregory Thompson (“Thompson”), Dwight Johnson and others, operated a *Ponzi* scheme and defrauded numerous investors out of millions of dollars. The defendants then used these investor funds to invest in and purchase various assets around the country for their own personal use and benefit, or for that of their friends and families.

2. The Receiver has undertaken substantial efforts to locate assets of the Receivership Estate, as those assets are defined under the Receivership Orders. The Receivership Estate is comprised of any and all assets, liquid or illiquid, personal or real property that was purchased or acquired, directly or indirectly, using improperly acquired investor funds. (Amended Order Appointing Receiver [Doc. 253] at ¶ 1). Among other things, the Receivership Orders state: “The Receiver shall have and possess all powers and rights to administer and manage the Receivers Estate, including, but not limited to the power and authority to:...(e) to sell, rent, lease or otherwise hypothecate or dispose of the assets of the Receiver Estate.” *Id.* at ¶ 5(e).

3. On October 31, 2006, the Court entered an Agreed Judgment as to Defendant Gregory W. Thompson (Doc. 180), and on July 17, 2010, the Court signed a Final Judgment Against Defendant Gregory W. Thompsons, Setting Monetary Relief and Reciting Previously Imposed Injunctions (Doc. 483). In the final judgment, the Court ordered Thompson to pay a total of \$195,330.00 representing disgorgement, interest and civil penalties (the “Judgment”) *to the Receiver*. *Id.* at 5. Thompson has failed to satisfy the final judgment or make full payment to the Receiver as ordered.

4. Accordingly, in connection with the Receiver's investigation, the Receiver has learned that Thompson owned certain producing oil and gas interests in roughly 6,259 acres situated on the Browne Family Ranch located partially in Frio County and partially in Zavala County, Texas (known as the "Browne Lease"), which is non-exempt property of Thompson and is available to be liquidated and applied to the Judgment. Therefore, Thompson's 8% interest in the Browne Lease (the "Thompson Interest") that the Receiver has been administering is part of the Receivership Estate and, thus, subject to sale by the Receiver.

5. The Receiver believes that it is in the best interest of the Receivership Estate to sell the Thompson Interest at a public sale in an effort to recover as much as possible from the last remaining assets that the Receiver possesses.

THE PUBLIC SALE

6. The Receiver, pursuant to 28 U.S.C. § 2001, et seq., plans to have a public sale at the United States District Court for the Eastern District of Texas, Sherman Division, 7904 Preston Road, Plano, Texas 75024, on September 12, 2012, at 10:00 a.m.

7. In an effort to obtain the maximum price for the Thompson Interest, the Receiver believes that it is in the best interest of the Estate not to engage an auctioneer and, instead, use counsel to facilitate the sale. This is to ensure the efficient sale of the Thompson Interest with the least amount of expense.

8. The Receiver believes that the most likely purchaser of the Thompson Interest is another interest owner in the Browne Lease. As such, all current owners of any percentage of the Browne Lease who have made an appearance in the suit styled Cause No. 4:11-cv-415, *John Shepard et al. vs. Nash et al.*, in the United State District Court of the Eastern District of Texas,

Sherman Division, which concerned the Browne Lease, will be provided notification by sending copies of this notice to their counsel.

9. Further, the Receiver, pursuant to 28 U.S.C. §§ 2001, *et seq.*, will publish a notice of sale once a week for four consecutive weeks in the following newspapers that are regularly issued and generally circulated in counties in which the Thompson Interest is located: (1) *The Zavala County Sentinel*; (2) *The Frio Nueces-Current*; and (3) *The San Antonio Express-News*.

The published notice will include:

- a. the title of this court and cause;
- b. the file number of this cause;
- c. the legal description of the mineral interest as described in the Browne Lease and attached hereto as **Exhibit "A"** and recorded Volume 332, Page 336, Deed Records, Frio County, Texas and Volume 13, Page 184, Oil and Gas Records, Zavala County, Texas;
- d. the time and place of the sale;
- e. minimum bid required; and
- f. the name and contact information of the facilitator of the sale.

10. The Receiver's public sale plan complies with all previously issued Court orders and applicable law; accordingly, additional Court approval of the sale is not required.

Respectfully submitted,

**QUILLING, SELANDER, LOWNDS,
WINSLETT & MOSER, P.C.**
2001 Bryan Street, Suite 1800
Dallas, Texas 75201
(214) 871-2100 (Telephone)
(214) 871-2111 (Facsimile)

By: /s/ Clark B. Will
Clark B. Will, SBN 21502500
cwill@qslwm.com
Michael D. Clark, SBN 00798108
mclark@qslwm.com
Derek T. Bragg, SBN 24078255
dbragg@qslwm.com

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

On this 8th day of August, 2012, a copy of this pleading was served all counsel of record and other interested parties through the Court's electronic filing system.

/s/ Clark B. Will
Clark B. Will

4836-1004-0336, v. 2

**NOTICE OF PUBLIC SALE OF INTEREST IN REAL PROPERTY BY RECEIVER
PAGE-5**

Producers 88 (7-86)
With 640 Acres Pooling Provision

Found Printing & Stationery Co., Houston, Texas

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 24th day of November, 1975, between Edna G. Browne, Individually and as Independent Executrix of the Estate of Mark L. Browne, deceased.

Lessor (whether one or more), whose address is: 306 Rockhill, San Antonio, Texas
and Sherman Nelson and Jon Nelson, equally, of P. O. Box 885, Seguin, Texas, Lessee, WITNESSETH:
1. Lessor in consideration of Ten dollars & other valuable consideration Dollars

(\$ 10.00), 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 seismographs, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and 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, and housing its employees, the following described land in Frio and Zavala Counties

Being 6259 acres, more or less, partially in Zavala County, Texas and partially in Frio County, Texas, described as follows:

Zavala County

Block # 371	Abstract 154	640 acres
Block # 152	Abstract 1102	640 acres
Block # 194	Abstract 93	The north 310 acres

Zavala and Frio Counties

Block # 372	Abstract 1065 (Frio Co.)	320 acres
Block # 372	Abstract 1101 (Zavala Co.)	320 acres
Block # 151	Abstract 349 (Frio Co.)	561 acres
Block # 151	(Zavala Co.)	79 acres

Frio County

Block # 194	Abstract 1106	The north 519 acres
Block # 296 1/2	Abstract 965	592 acres
Block # 8	Abstract 1388	104.7 acres
Jas. G. Wright Survey	Abstract 654	The north 1280 acres
Block # 9	Abstract 1483	71 acres
	Abstract 1423	94.3 acres
	Abstract 1441	88 acres
Block # 2	Abstract 1422	640 acres

Edna G. Browne
Signed for identification

and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizons under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.



shown. For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 6259 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of ten 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. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipelines to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well or elsewhere where the gas is sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay as royalty, on or before ninety (90) days after the date on which (1) said well is shut in, or (2) the land covered hereby or any portion thereof is included in a pooled unit on which a well is located, or (3) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and thereafter at annual intervals on or before the anniversary of the date the first payment is made, a sum equal to the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made, and if such payment is made or tendered, this lease shall not terminate, and it will be considered that gas is being produced from this lease in paying quantities; and (c) on all other minerals mined and marketed, 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 fifty cents (50¢) per long ton. Lessee shall have free use of oil, gas, coal, and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used.

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 either 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 existing 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 thereunder 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 any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. Lessee shall file for record in the appropriate records of the county in which the leased premises are lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are lease or portions thereof describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as situated an instrument describing and designating the pooled acreage as a pooled unit, and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 3 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to one separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to 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 of any delay rental or 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 operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in Bexar County National

Bank at San Antonio Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of

Six Thousand Two Hundred Fifty-nine Dollars (\$ 6259.00), (herein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months, in like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rentals under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizons under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

4. If prior to discovery and production of oil, gas or other mineral on said land or on acreage pooled therewith, Lessee should drill a dry hole or holes thereon, or if after discovery and production of oil, gas or other mineral, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter or if it be within the primary term, commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty days from date of completion of said well or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during pooled therewith, Lessee should drill a dry hole thereon, so rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (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 sixty (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 acreage 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 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 three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this 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 Lessee, Lessee will bury all pipe lines below ordinary plow depth, and all well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

8. 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, rentals 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 instrument evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the decedent or the estate of the decedent until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the decedent and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein; or, at Lessee's election, the proportionate part of said rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant is entitled may be made in rental payment by one shall not affect the rights of other leasehold owners hereunder. 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.

9. 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. In the event Lessor considers that operations are not at any time 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. After the discovery of oil, gas or other mineral in paying quantities on said premises, 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.

10. 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 rentals and 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, delay rentals, 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. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. 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 oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, 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 leased premises and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Edna G. Browne
Individually and as Independent
Executrix of the Estate of Mark L.
Browne, Deceased.

STATE OF Texas INDIVIDUAL ACKNOWLEDGMENT
COUNTY OF Bexar
Before me, the undersigned authority, on this day personally appeared Edna G. Browne

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed for the purposes and consideration therein expressed, and in the capacity therein stated.
Given under my hand and seal of office this 6th day of November, 1975.
My Commission Expires 6-1-77

Jerald E. Smith
Notary Public in and for Bexar County, State of Texas

STATE OF _____ HUSBAND AND WIFE ACKNOWLEDGMENT
COUNTY OF _____
Before me, the undersigned authority, on this day personally appeared _____

and _____ husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office this _____ day of _____, 19____.
My Commission Expires _____
Notary Public in and for _____ County, State of _____

...is excepted from this lease, and the residue of the lease is hereby assigned, all vanadium, uranium, plutonium, thorium, fissionable minerals and materials, and it is understood and expressly provided that the term "Mineral", "Minerals", "Other Mineral" and "Other Minerals", whenever or wherever used in this Lease, shall not refer to and shall not include vanadium, uranium, plutonium, thorium, fissionable minerals and materials.

3. If during any one-year period, computed from the date of this Lease, after Lessee has completed its first well on land covered by this Lease, or lands pooled therewith, which is capable of producing oil and/or gas in paying quantities, the total payment made to Lessor under this Lease during such year by way of rental, royalty and/or shut-in royalty payments amount to a total sum which is less than the sum of \$1.00 per acre for the number of acres as to which this Lease is in force at the end of such lease year, then Lessee, within 90 days after the end of such year shall pay or tender to Lessor or to Lessor's credit in the depository bank named in paragraph 4 hereof, as royalties under this Lease, a sum, by Lessee's check or draft, equal to the difference between the total payments made under this Lease to Lessor during such year and the sum of \$1.00 per acre.

4. This Lease does not cover or include any right or privilege to hunt with firearms or dogs on the leased premises or to fish thereon, all such hunting and fishing rights are expressly reserved to Lessor, and Lessee agrees that Lessee, its agents, servants, employees shall not bring any firearms upon the leased premises and will not fire any firearms thereon, and Lessee agrees to instruct its agents, servants, employees, contractors and sub-contractors that they shall not hunt and shall not fish on the premises or carry or discharge firearms thereon.

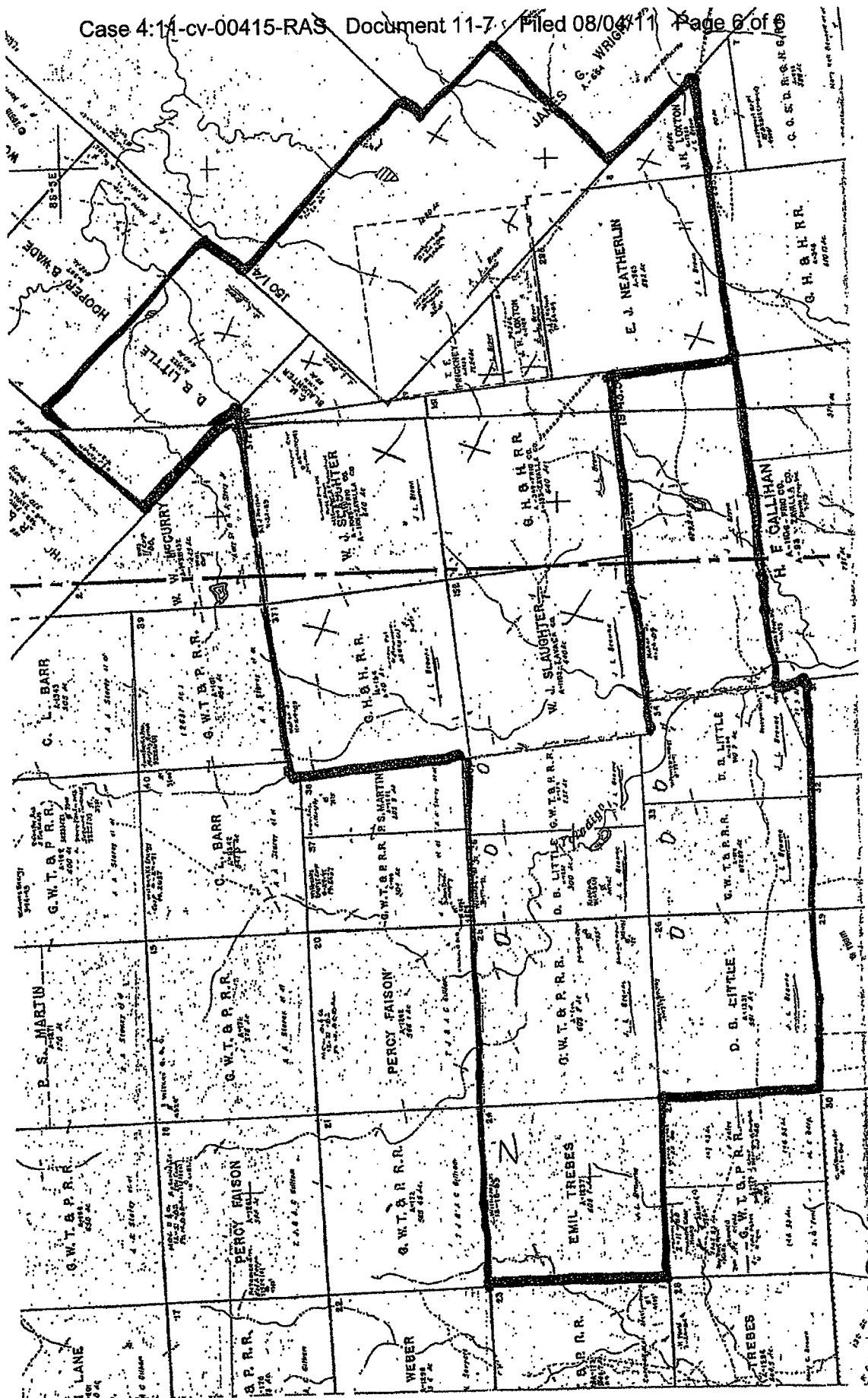
5. Lessee agrees at all times to use reasonable care in all its operations on the leased premises of Lessor, to prevent unnecessary injury or damage to the land, livestock, crops or other property of Lessor and Lessee agrees to pay for any damage to crops, livestock, fences and other personal property and improvements of Lessor resulting from Lessee's operations on the Leased premises.

6. It is agreed, and by the acceptance of this Lease, Lessee and any assignees under him covenant and agree that no Assignments of same in separate, segregated tracts shall be made in tracts of less than One Hundred sixty (160) acres, until there is production in paying quantities.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

455-057327
Social Security Number

Edna G. Browne
Edna G. Browne, Individually and as Independent
Executrix of the Estate of Mark L. Browne, deceased



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§	
Plaintiff,	§	
	§	
v.	§	CAUSE NO. 4:05-CV-472
	§	
TRAVIS E. CORRELL, GREGORY THOMPSON,	§	
DWIGHT JOHNSON, HARRY ROBINSON	§	
“ROBBY” GOWDEY, et al.,	§	
Defendants,	§	
and	§	
	§	
BANNER SHIELD, LLC, HOSPITALITY	§	
MANAGEMENT GROUP, INC., CREATIVE	§	
WEALTH VENTURES and JTA ENTERPRISES,	§	
Relief Defendants.	§	

**ORDER APPROVING PUBLIC SALE OF INTEREST IN REAL PROPERTY BY
RECEIVER**

On this day, came on for hearing and consideration before this Court, the Receiver’s Motion for Approval of Public Sale of Interest in Real Property by Receiver (the “Motion”), by and through attorney of record Clark B. Will. After considering the Motion, the evidence and arguments presented, and the Court’s file, the Court finds as follows:

1. Defendant Gregory Thompson (“Thompson”) owned certain producing oil and gas interest in roughly 6,259 acres situated on the Browne Family Ranch located partially in Frio County and partially in Zavala County, Texas (the “Browne Lease”), which is non-exempt property of Thompson and available to be liquidated and applied to Thompson’s outstanding Final Judgment Against Defendant Gregory W. Thompson, Setting Monetary Relief and Reciting Previously Imposed Injunctions, entered by this Court on July 17, 2010.

2. The Receiver's notice of sale of Thompson's 8% interest in the Browne Lease (the "Thompson Interest"), as is and without any warranties and/or representations as to title or otherwise, attached to the Motion as Exhibit "A" (the "Notice of Sale"), fully complies with the requirements of 28 U.S.C. § 2001, et seq., and all other statutory requisites.

Having heard the matters presented by counsel regarding the sale of the Thompson Interest, it is hereby ORDERED that the public sale of the Thompson Interest is in all things APPROVED and CONFIRMED.