

acres of oil and gas mining leases near the oil field known as the Kosse field in North Central Texas, and certain options on thirty-one (31) oil and gas mining leases amounting to thirty four hundred (3400) acres, more or less, in Bell County, Texas and the said Trustee for the purpose of defining the interest of the subscribers and their assigns in such property and options, has agreed to issue to the subscribers, negotiable certificates representing Units of Ownership, or shares, in and to, the Trust Estate herein created, to the amount of One Hundred Thousand (100,000) Common Units of Ownership, each unit to be of the expressed par value of One (\$1.00) Dollar, the same being fully paid and non-assessable, and are transferable on the books of the Trustee in accordance with the terms of this instrument.

NOW, THEREFORE, The Trustee hereby declares that he will hold said property to be transferred to him as well as all other property which he may acquire as Trustee, together with the proceeds and profits thereof, in trust, to manage and dispose of the same for the benefit of the holders from time to time, of certain certificates issued hereunder, and in the manner and subject to the stipulations herein contained, to-wit:

FIRST: The whenever the term "Trustee" is used herein, it shall refer to and include the above Trustee and also any successors in trust, appointed under the terms hereof. That whenever the term "Company" is used herein, it shall be deemed to refer to the Franklin Petroleum Company, being the designation, so far as practicable, of the said Trustee and his successors in trust in his collective capacity, under the terms hereof. That whenever the term "Unit Holder" is used herein it shall be deemed to mean the owner of a certificate evidencing one or more Units of Ownership, of the par value of One (\$1.00) Dollar each, in and to the Trust Estate herein mentioned, the legal title, ownership and control of which estate is vested in said Trustee; and that whenever the term "Certificate" is used herein, it shall be deemed to mean an instrument in writing, or printed, or partly written and printed, issued by said Trustee, evidencing the ownership of an equitable interest in said estate of one or more units of ownership, as may be therein stated.

(B) The Trustee, in his collective capacity, shall be designated, so far as practicable, as the Franklin Petroleum Company, and under that name shall, so far as practicable, conduct all business and execute all instruments in writing, in performance of his trust.

SECOND: The Trustee does hereby acknowledge the receipt of a *Valid and legal assignment of a 3 1/4 acre tract* interest in an oil and gas lease on One Hundred and Twenty (120) acres of land in the Owasso Oil and gas field, Oklahoma, certain endorsed options on Sixteen Hundred and Eighteen (1618) acres of Oil and Gas Mining leases near the Kosse Oil field in North Central Texas, and certain endorsed options on Thirty-one (31) oil and gas mining leases covering thirty four hundred (3400) acres, more or less, in Bell County, Texas, and it is hereby expressly agreed that the said property and options as well as any other leases or options, or other property which may hereafter be acquired by the Trustee for the purpose herein mentioned under the terms hereof, shall be received by the Trustee, and shall be by him held, owned, controlled, managed, and applied to the uses and purposes herein mentioned, and to no other.

(B) The money, or property, together with the income and issue thereof received or acquired by the Trustee under the terms hereof, shall constitute and be held, kept and used by him as a Trust Estate for the use and benefit of the Unit Holders in the said estate, and that the said Trustee is