

**SUBORDINATION AGREEMENT**  
(With Release of Lien as to Leasehold Estate)

State: \_\_\_\_\_  
County: \_\_\_\_\_  
Lessor: \_\_\_\_\_  
Lienholder: \_\_\_\_\_  
Lessee: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

Lienholder, named above, is the present owner and beneficiary of a (Mortgage/Deed of Trust) from Lessor, named above, given to secure a loan by Lienholder to Lessor, on lands (the "Lands") situated in the county and state named above, described as follows:

(Description of Lands Covered by Mortgage/Deed of Trust)

This (Mortgage/Deed of Trust) is dated \_\_\_\_\_ and recorded in Volume \_\_\_\_\_, page \_\_\_\_\_ of the \_\_\_\_\_ Records of the named county and state.

Subsequent to the date of the (Mortgage/Deed of Trust), on (Date of Lease), Lessor granted to Lessee, named above, an Oil and Gas Lease (the "Lease") on the Lands. The Lease is recorded in Volume \_\_\_\_\_, page \_\_\_\_\_ of the \_\_\_\_\_ Records of the county in which the Lands are located.

For adequate consideration, Lienholder subordinates all liens created by the (Mortgage/Deed of Trust) to the Lease and releases the leasehold estate created by the Lease from all liens created by the (Mortgage/Deed of Trust) described above, and all extensions and renewals of such liens. Lienholder does not waive or release any of its rights under the (Mortgage/Deed of Trust) on or against any royalty interest reserved by Lessor in and payable under the terms of the Lease, or any of Lessor's reversionary interests in the mineral estate in the Lands on the termination or expiration of the Lease.

For the same consideration, Lienholder agrees that the Lease shall have the same validity and effect as if fully executed, delivered, and recorded prior to the date of the (Mortgage/Deed of Trust).

This Agreement is signed by Lienholder as of the date of the acknowledgment below, but is deemed effective for all purposes as of the Effective Date stated above.

\_\_\_\_\_  
Lienholder