

257
MINERA

4

day of.

Sept.

19

80

10-166470

19801208000139250 Pg 1/2 .00

Shelby Cnty Judge of Probate, AL

12/08/1980 00:00:00 FILED/CERTIFIED

Lessor (write a card or paper where address is: Rt. 1, Box 489, Vincent, Al. 35173

Amoco Production Company, P.O. Box 50879, New Orleans, La. 70150

—Jury, WITNESSES

1. Lesser in consideration of

Ten and More

— 12 —

(\$ 10.00 & more), in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, evaluating, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying wire lines, building roads, tanks, power stations, telephonic lines and other structures thereon to

produce, store, take care of, treat, transport and own said products, and leasing its employees, the following described land in Shelby County, Alabama, to-wit:

MINERA

98

PAGE

BOOK 330

98

It is the intention of Lessor and Lessee that this lease shall also include, and there is hereby included, granted, leased and let, for the purposes and consideration herein stated, all the land owned or claimed by Lessor, adjacent or contiguous to the land particularly described above, whether the same be in said section or sections, grant or grants, or in adjacent sections or grants, although not included with the boundaries

of the land particularly described above. For the purpose of determining the amount of any money payment hereunder, the lands herein shall be treated as comprising 62 acres, whether there be more or less, and in the event of a partial assignment or surrender hereunder, the assigned or surrendered portion or portions shall be deemed to contain the number of acres stated in such assignment or surrender.

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 lands with which said land is pooled hereinafter.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth (1/8) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipeline, to which the wells may be connected; Lessor may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; in either case, such interest to bear its proportion of any expense of treating unmarketable oil to render it marketable as crude; (b) on gas, one-eighth (1/8) of the market value at the well of the gas used by Lessee in operations not connected with the land leased or any pooled unit containing all or a part of said land; the royalty on gas sold by Lessee to be one-eighth (1/8) of the amount realized at the well from such sales; (c) one-eighth (1/8) of the market value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products, except that in computing such value, there shall be excluded all gas or components thereof used in lease or unit operations; and (d) on all other minerals mined and marketed, one-tenth (1/10) 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. In the event that any well on the land or on property pooled therewith (or with any part thereof) is capable of producing oil or gas or gaseous substances in paying quantities but such minerals are not being produced, then Lessee's rights may be maintained. In the absence of production or drilling operations by commencing or resuming rental payments (thereby constituting referred to as shut in gas payments) as hereinafter provided in paragraph 6. Should such conditions occur at the end of or after the primary term, or within sixty (60) days prior to the expiration thereof, Lessee's rights may be extended beyond and after the primary term by the commencement, resumption or continuance of such payments at the rate and in the manner herein provided for rental payments during the primary term, and for the purpose of computing and making such payments the expiration date of the primary term and each anniversary date thereof shall be considered as a fixed rental paying date; and if such payments are made, it will be considered that oil or gas or gaseous substance is being produced within the meaning of paragraph 2 hereof. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessee's wells for all operations hereunder, and 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 with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to develop and operate said premises in compliance with any lawful spacing rules which may be prescribed for the field in which this lease is situated by any duly authorized authority, or when it does so would, in the judgment of Lessee, promote the conservation of the oil and gas in and under and that may be produced from said premises. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalty on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties otherwise herein specified, Lessee shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his fractional interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

5. If negotiations 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 to Lessor or to the credit of Lessor in _____ Bank at _____
Alabama to be held by Lessor or its successors as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals the sum of _____

Sixty Two and No/100

Index

19. \$2.00 herein called rental) 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 of rental annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment of rental may be made by the check or draft of Lessee payable or deliverable to lessor or to any bank on or before such date of payment. If such bank or any successor bank should fail, liquidate or be succeeded by another bank or if such payment is or seems 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 Lessee shall deliver to lessor a reasonably trustworthy statement of payment or tender of rental to accept rental. The above cash payment is consideration for this lease according to its terms and shall not be the stated maximum term of a period. For as much of any time or times as are and deliver to Lessee of the deposits also named or place of record. Release of releases covering any portion or portions of the above described premises and thereof surrendered here to as such portion or portions and be released of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage surrendered is reduced to said release or releases.

[illegible]

7. Lessee shall be on the right of way time during or after the expiration of the lease term, to all property and fixtures placed by Lessee on said land including the right to lay and use a pipeline as required by Lessee. Lessee will bury all pipelines below ordinary plow depth and no well shall be drilled within two hundred (200) feet of any reservoir or high flow creek or tidal water or cause thereof shall be responsible for all damages caused by Lessee. Operators have advised that damages necessarily caused by the exercise of the right to a pipeline.

[illegible]

9. The breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor be a cause for cancellation hereof in whole or in part save as herein expressly provided. If the obligation should require the drilling of a well or wells, Lessee shall have ninety (90) days after the receipt of written notice by Lessee from Lessor specifying the breach alleged by Lessor within which to begin operations for the drilling of any such well or wells, and the only penalty for failure so to do shall be the termination of this lease save as to forty (40) acres for each well being worked on or producing oil or gas, to be selected by Lessor so that each forty (40) acre tract will embrace one such well. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, 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, 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 according hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid to Lessee shall be reduced proportionately. Failure of Lessee to reduce rentals or royalties shall not impair the right of Lessee to reduce royalties. All royalty interest covered by this lease whether or not owned by Lessor shall be paid out of the proceeds hereof provided.

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, or 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, nothing in this lease to the contrary notwithstanding.

12. The undersigned Lessor, for himself and his heirs, successors and assigns, hereby warrants and releases all rights of homestead in the premises herein described, in so far as said rights of homestead may in any way affect the purpose for which this lease is made as recited herein, and agrees that the annual drilling deferment rental payments made to Lessor as herein provided will fully protect this lease as to the full interests of the undersigned.

13. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Section. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor(s) shall promptly execute said lease and return same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

In WITNESS WHEREOF, this instrument is signed, sealed and delivered on the date first above written.

WITNESS:

Min TAX 3.10
Prod TAX 1.00
Res 10.00
Ind 1.00
15.10
STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1980 DEC -8 AM 10:44

C H S Snyder (SEAL)
Curtis Snyder AKA C. H. Snyder (SEAL)
S. S. # [REDACTED] (SEAL)
Ruby Snyder (SEAL)
Ruby Snyder (SEAL)
Lessor.

STATE OF ALABAMA
COUNTY OF SHELBY
Notary Public

I, Nolan H. Robertson, a Notary Public in and for said County, in said State, hereby certify that
Curtis Snyder AKA C. H. Snyder and wife, Ruby Snyder

90
PAGE 330
BOOK 330
Where name S are signed to the foregoing instrument, and
are known to me, acknowledged before me on this day, that, being informed of the contents of the instrument, they executed the same voluntarily on the day the same bears date.
Given under my hand and Official Seal, this 8 day of November, A. D. 1980
Nolan H. Robertson
Notary Public in and for
State At Large
My commission expires: 12-3-83
ALABAMA

WIFE'S SEPARATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF
I, a Notary Public in and for said County, in said State, do hereby certify that
on the day of 1980, came before me the within named
known to me to be the wife of the within named
who being examined separate and apart from the husband, touching her signature to the
within instrument, acknowledged that she signed the same of her own free will and accord, and without fear, constraints or threats on the part of her husband.
Given under my hand and Official Seal, this day of A. D. 1980
Notary Public in and for
County.

Oil, Gas and Mineral Lease	FILED	TO	19	County, Alabama	instrument was filed for record on the	19	at	and duly recorded in	Page	records of this office.	(Official Title)	When recorded return to
----------------------------	-------	----	----	-----------------	--	----	----	----------------------	------	-------------------------	------------------	-------------------------