## 1094

## OIL. GAS AND MINERAL LEASE

THIS ACREEMENT made this	24th			day of .	Oct	tober	·			, 	19 <u>84</u>
James Leon Wilson and his wife, Fra		Wilson	n			·			<del></del>	<del></del>	
sor (whether one or more), whose address of Amoco Production	2808 Company	3rd St	reet	NW B	irming	cham,	AL 3	5215 T.s.	70150	<u> </u>	
I Lessor, in consideration of	Ten and	No/100	) and	other	valua	able d	consi	derai	tion		
of which is hereby acknowledged, and of the country of exploring, drilling, mirrog and operational, lay upper lines, establish and utilize facilitional other structures on said land, necessary or discent thereto. The land covered bereby, he	es for surface or s redul to lessee's or	ubsurface disp setations in ex	osal of salt ploring, dri	water, constri ling for, prod	MAL HIDALAIS	laidges, di; g. storing a	M TRN PLUID	ar to lium	· menthaled), fo	gether with the	right to make surveys on s
. Alabama				,	<u> </u>		·· -	·	· 41 <del>5</del> .		

IN TOWNSHIP 18 SOUTH, RANGE 1 EAST:

In Section 11: 210 feet off the West side of the NW 1/4 of NE 1/4 less except a 210 foot square off the South end.

It is agreed and understood between the Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph # 3 it is amended to read onesixth (1/6).

This lease covers only oil, gas and associated products produced from a well bore. Iron ore, coal, gold, silver and other hard rock minerals are specifically excluded.

Lessee expressly agrees that it will not conduct drilling operations on the above described land without prior permission from the surface owner.

This lease also covers and metades, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation. prescription possession, reversion or unrecorded instrument or th) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lesser for a more complete or accurate description of said land. For the purpose of determining the amount of any homes or other payment becomeder, said land shall be deemed to contain acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights, and options bereunder

2. Unless proper terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of MNOL years from the date hereof, hereinafter called "primary term", and so long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As revally, lesser covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from add land, or from time to time, at the option of lessee, to pay lessor, the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or streage tanks, lesser's interest, in either case, to hear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lesser, one-eighth of the amount realized by lessee, computed at the month of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the month of the well. eighth of such gas and examplead gas, (e) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mineral election. escept that on sulphur mined and marketed the royalty shall be one dollar (\$2.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land by on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shell-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee convenants and agrees to use reasonable difference to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and orthogry leave facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this sub-paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, or may be deposited to such parties credit in Central Bank of the South

P. O. Box 10566 Birmingham, AL 35296 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shot to receive same, lessee may, in lieu of any other method of payment herein

provided, payour tender such shul-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lesses deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lesse in whole or in part, liability for payment becomes shall rest exclusively on the then owner or owners of this lease, severally us to acreage owners by each.

4 Lessee is hereby granted the right, at its option, to pool or unitize all or any part of said land and of this lease as to any or all minerals or horizons thereunder, with other lands, lease or leases, or portion or portions thereof, or mineral or fusions thereunder, so as to establish upits containing not more than 30 surface acres plus 10% acreage tolerance, provided, however, a unit may be established or an existing unit may be enlarged to contain new name than 640 acres plus 10% acresge tolerance, if unitized only as to gas and liquid hydrocarbons (condensate) which are not a liquid in the subsurface reservoir. If larger units are required, under any governmental rule or order, 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, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee from time to time, and whether before or after production has been established either on said land or on the portion of said land included in the unit or in other land unitized therewith and any nichide any well to be drilled, being drilled or already completed. A unit established becennder shall be valid and effective for all purposes of this leave even though there may be lamb or mineral, royalty or leasehold interests in Lind within the unit which are not popled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted under this lease. There shall be allocated to the land covered by this lease meluded in any such unit that properties of the total production of unitized minerals from wells in the unit, after deducting any used to lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of myalty: overriding royalty, and any other payments out of production to the entire production of unitized minerals from the portion of said land covered hereby and included in such unit in the same manner as though produced from and land under the terms of this lease. The owner of the revisionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to the puragraph or of shut-in royalties from a well on the noit shall satisfy any limitation of term requiring production of oil or gas. The formation of such unit shall not have the effect of changing the ownership of any shut-in production mealty which may become payable under this lease. Neither shall it impair the right of lessee to release from this lease all or any portion of said land, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all probed leases are released as to lands within the unit. Leases may dissolve any unit established becomeder by filling for record in the public office where this lease in recorded a declaration to that effect, if at that time no operations are being conducted therein for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established becoming shall remain to force so long as any lease subject thereto shall remain in force. A unit may be so established, modified or dissolved during the life of this lease.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or harizon thereunder, and thereby relieved of all obligations as to the released acreage or interest.

6. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessor shall not be obligated except as otherwise provided herein, to commence or continue any operations during the primary term. Whenever used in this lease the word "operations" shall mean operations for and any of the following: deiling, testing, completing, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities. 7 Leusee shall have the use, free from royalty, of water, other than from lease's water wells, and of oil and gas produced from said land in all operations bereinder. Lessee shall have the right at any time to

ternove all muchinery and fectores placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the basse or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said famil.

This Instru

prepared by: Richard C. Bu 406 Rollingwood Drive

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the coverants, obligations, and considerations of this lease shall extend to and be booking upon the parties hereto, their heirs, ancessors, margins, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of leases, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lease, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, however effected, shall be bioding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by leasor or leases been furnished to such record owner at his or its principal place of business by leasor or leases been furnished to such record owner at his or its principal place of business by leasor or deliverance or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and proceedings, transcripts, or other documents as shall be recessary in the optnion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by make read of the decedent in a depository bank provided for

9. In the event lessor considers that lesser has not complied with all its obligations berenoder, both express and implied, lessor thall notify lesser in writing, setting out specifically in what respects lesser has breached this contract. Lesser shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of isich notice on lesser. Neither the service of said notion on the doing of any acts by lesser aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lesser has failed to perform all its obligations bereunder. Should it be awarded in any notice given to the lesser under the provisions of this paragraph that lesser has failed to comply with any implied obligation or covenant hereof, this lesse shall not be subject to cancellation for any such cause everpt after final judicial ascertainment that such failure exists and lesser has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which lesser has been judicially determined to be in default. If this lesser is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to condition a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lesser as nearly as practicable in the form of a square centered at the well, or in such thape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lesser shall also have such easements on said land as are necessary to operations to operations to prestitude.

40 Lesser berely, warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests bereunder shall be charged primarily with any mortgages, taxes or other flow, or interest and other charges on said Lind, but lessor agrees that lesser shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the bolder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lesse. Lessee is hereby given the right to acquire for its two benefit, devels, leases, or assignments covering any interest or claim is said land which lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be mailed or adverse to leasor. If this lease covers a less interest in the oil, gas, sulphus, or other minerals in all or any part of said land then the entire and undivided fee sample extent (whether moreys accraing from any part as to which this lease covers less than such full interest, shall be paid out of the myself between therein, if any, covered by this lease, hears to the whole and undivided fee simple extate therein. All royalty interest covered by this lease (whether or not owned by leasor; shall be paid out of the myself berein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paramaph 3 hereof, and lease is not conducting operations on and land by reason of (1) any law, order, rule or regulation (whether or not subsequently determined to be invalid) or (2) any other cause, whether common or dissimilar, (except financial) beyond the reasonable control of lease, the primary term hereof shall be extended until the first anxiversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12 to the event that Lessor, during the primary term of this lesse, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lesser covering any or all of the substances covered by this lesse and covering all or a portion of the land described herein with the lesse becoming effective upon expiration of this lesser. Lessor hereby agrees to notify Lessee in writing of soid 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 lessor 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 lesse shall be subject to the terms and conditions of this Section. Should Lessee elect to purchase the lesse paramete 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 farmish to Lessor the new lesse for execution on behalf of Lessor(s) along with Lessor(s) shall promptly execute said lesse and return name along with the endorsed draft to Lessee's representative or through Lessor(s) bank of record for payment.

WITNESS WHEREOF, this instrument is executed on the date first above written.	James Lean Wilson
	Frances I.J. Wilson - BEAU FRANCES H. WILSON
STATE OF ALL CHELPY CO INSTRI 1984 DEC 27 PM 12: 5	Munual TAX 27 50. Dec 15.00
JOINT OR SINGLE AT ALABAMA (MISSISSIPPI-AL	ACKNOWLEDGEMENT LABAMA-FLORIDA)
hereby certify, that on this day, before me. a   Notary Public	James Leon Wilson
me known to be the person 8	the foregoing instrument and the Y
v commission expires	Source William NOLARY PUBLIC in and for Jeffer Descripty Alabama
Term Title of Title o	Nix Acres
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County Child in the control of the c	THE VALUE OF THE SAME AND ASSESSED TO SAME ASSESSED.