Oil and Gas Lease

Agreement, made and entered the 27th day of August, 1971, by and between Robert O. Simmons and Rosella A. Simmons of Sterrett Ala. hereinafter called Lessor (whether one or more) and Gaston Scott hereinafter called lessee:

Witnesseth: That the said lessor, for and in consideration of one dollar cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, have granted demised, leased and let, and by these presents do grant, lease and let unto the said lessee for the sole and only purpose of mining and operating for oil and gas and of laying pipe line and of building tanks, power stations and structures thereon & produce, save and take care of said products, all that certain tract of land situated in the County of Shelby, State of Alabama described as follows, to wit:

North East quarter (NE¼) of Section twenty eight (28) Township 19 South of Range 1, west, Huntsville, meridian, and containing 160 acres, more or less.

It is agreed that this lease shall remain

in force for a term of ten years from this date, and as long thereafter as oil or gas, or either of them is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises and 1/10 part of the gas.

2nd To pay the lessor Fifty dollars, each year in advance, for the gas from each well where gas only is found, while the same is being used off the premises and lessor to have free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the time by making their own connections with the well at their own risk and expense.

3rd To pay lessor for gas produced from any oil well and used on the premises at the rate of Fifty dollars per year, for the time during which such gas shall be used, said payments to be made each three months in advance.

If no well be commenced on said land on or before the 27th day of August, 1923 this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the Columbiana Sav'gs Bank at Columbiana, Ala. or its successors, which shall continue as the depository, regardless of changes in the ownership of said land, the sum of Forty dollars, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively.

And it is understood and agreed that the consideration first recited herein, the down

payment covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then and in that event, if a second well is not commenced on said land within twelve months thereafter, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said lessor only in proportion which their interests bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for all operations thereon, except water from wells of lessor.

When requested by lessor lessee shall bury his pipe line below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of the lessor.

Lessee shall pay for damages caused by all operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned

and the privilege of assigning in whole or in part is expressly allowed - the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment, or a copy thereof, and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes, or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

In witness whereof, we hereto set our hands and seals, on the date first in above written.

J. I. Crane (Seal) Robert E. Simmons (Seal)
Ella Simmons (Seal) Rosella A. Simmons (Seal)
her mark

The State of Alabama }
The County of Shelby } I, J. I. Crane, a Notary Public, in and for said County, in said State, hereby certify that Robert E. Simmons + wife Rosella A. Simmons whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day, that being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand, this the 27th day of August, 1921.

(Seal) J. I. Crane.
Notary Public.

The State of Alabama
The County of Shelby } I, J. I. Crane, a Notary Public in and for said County, in said State, do hereby certify that on the 27th day of August, 1921, came before me the within named Rosetta A. Simmons known to me to be the wife of the within named Robert E. Simmons who, being examined separate and apart from the husband touching her signature to the within conveyance acknowledged that she signed the same of her own free will and accord, and without fear constraints, or threats on the part of the husband. In witness whereof, I hereto set my hand (and official seal) this the 27th day of August, 1921.

(Seal) J. I. Crane
Notary Public

State of Alabama
Shelby County } I, G. W. Weaver Judge of Probate hereby certify that the within Lease was filed in this office for record 29th day of August 1921 at 10 O'clock A. M. and recorded in Deed Record 68 pages, 503-506 and examined.

G. W. Weaver,
Judge of Probate,