and is described as follows:

OIL, GAS AND MINERAL LEASE SYEAR 5 YEAR TERM

	•		•		
THIS AGREEMENT made this	28th	day of	April		19 77 hebreen
 D. H. Lovelady, Karl C.	Harrison, W.	E. Loveladv	TTT. Louise	Lovelada	Soott Torrelland
and Lucille Lovelady				MOVE LAUY	scour Loveragy,
	the same of the sa		the state of the s		

lessor (whether one or more), whose address is: C/o D.H. Lovelady, P.O. Box 81, Montevallo, Alabama 35115 and Joe B. Hanna, 1132 United Founders Tower, Oklahoma City, Oklahoma 73112, lessee, WITNESSETH:

1. Lesson in consideration of Ten and More - - of which is bereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby XAEX MAN XACHARENT XIVENESS. The land covered hereby, herein called "said land", is located in the Shelby

TOWNSHIP 22 SOUTH, RANGE 3 WEST

Section 7: The SE宏 SE宏

Section 8: The St SWk and that part of the SWk SEk lying West of McHenry Creek

Section 17: The NW NW NW NE and that part of NE NW lying East of the

creek; that part of the SE% NW% lying East of the Montevallo-Dogwood

Road and that part of the SW NE lying West of McHenry Creek

Section 18: Et NE

distrument requested by lesses for a more complets by

12:00:00AM FILED/CERT

pose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 334.00 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 and agrees to accept the delay rental as lump sum considerations for this lease and all rights, and options hereunder, five (5)

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal oneeighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such che-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear 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 lessee, one-eighth of the amount realized by lessee, computed at the mouth 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 mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mixed and markered or unliked by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty thall be one dollar (\$1.00) 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 or on lands 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 wells are shut-in, and thereafter this lesse may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence 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 ustall or furnish facilities other than well facilities and ordinary lease 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 the amount of annual delay rental provided for in this lease. Lessee thall 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 least is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would. be entitled to receive the royallies which would be paid under this lease if the wells were producing, and may be deposited in a depository bank provided for below. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment beteunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lesses 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 runerals or horizons thereunder, with other lands, lease or leases, or portion or portions thereof, or mineral or horizon thereunder, so as to establish units containing not more than 80 surface acres pins 10% acreage tolerance; provided, however, a unit may be established or an existing unit may be enlarged to contain not more than 640 acres plus 10% acreage tolerance, if unitized only as to gas or only as to gas and liquid hydrocarbons (condensate) which are not a liquid in the subsurface reserveir. 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 on other land unitized therewith and any such unit may include any well to be drilled, being drilled or already completed. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be land or mineral, royalty or leasehold interests in land within the unit which are not pooled 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 included in any such unit that proportion of the total production of unitized minerals from wells in the unit. after deducting any used in 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 royalty, overriding royalty, and any other payments out of production, to be 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 said land under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit 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 delay rental or shut-in production royalty 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 lesses may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect. If at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established beremader shall remain in 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. If operations are not conducted on said land on or before the first anniversary date hereof, this lease shall terminate as to both parties, unless lessee

on or before said date shall, subject to the further provisions hereof, pay or tender to lessor's credit in the Merchants and Planters

Bank at Montevallo, Alabama 35115

or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of

s 334.00, which shall operate as delay rental and cover the privilege of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or moneys, in the manner herein 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 lessee deposited in the mail or delivered to lessor or to a depository bank on or before the last date of payment. Said delay rental shall be apportionable as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depository, shall nevertheless he sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof from lessor. 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 mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all minerals and horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released hears to the acreage which was covered by this lease immediately prior to such release.

6. If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate on its anniversary date next following the ninetieth day after such discontinuance unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental; provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of cil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty of water, other than from lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be delibed nearer than 200 feet to the house or barn now on sold land without the consent of the lessor. Lessee shall pay for damages caused by its cops and timber on said land.

operations to j Josh months Main

8. The right to of any party hereto may be assigned from time whole or in part and as to any mineral or horize the covenants, change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, howsoever effected, shall increase the obligations actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record less, pay or tender such royalties, delay rental, or other moneys, or division. If any such change in ownership occurs by reason of the death of the opinion of such record less, pay or tender such royalties, delay rental, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above. In between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay rental payment by one shall

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall them 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. The service of said notice shall be precedent to the bringing of any action by service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the lessee under the provisions of this paragraph that judicial ascertainment that such failure exists and lessee has then been afforded a reasonable time to prevent cancellation for any such cause except after final its obligations as to which lessee has been judicially determined to be in default. If this lease 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 constitute a drilling or maximum allowable unit under applicable centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which lessee or any other party contends is cut-gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or terest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein 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 at, or after the expiration of the primary term hereof, and while this lease is in force, there is no well on said land, or on lands with which said land or any portion thereof has been unitized, capable of producing oil or gas, and lessee is not conducting operations on said 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 similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary 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.

	occurred.	, and this lease may be extended thereafte	r by operations as if such delay had not
Č	IN WITNESS WHEREOF, this instrument is executed on the date first	st above written.	
Y			
3	Du Tarata Occurrante	it and Cyha	MOM (SEAL)
.	D. H. Love Fady - SS#416-18-5958	Karl C. Harrison	SS#47/-42-4459
-	17 TO TOTAL TOTAL TOTAL TOTAL CONTRACTOR TO THE TOTAL	Louise La	selalia iseal)
<i>)</i>)	W.E. Lovelady IIIV SS#	Louise Lovelady - S	S# 418 884-8728
•	Ledithe Love and The ardian of Scott Jones	ady in thele	Tollady (SEAL)
Ŝ	Scott Lovelady - SS# 4/8 - 184-374/	Jucille Lovelady -	SS#3 419170-632
3	STATE OF Alabama	JOIN	T OR SINGLE ACKNOWLEDGMENT
	COUNTY OF Shelpy	······································	(MISSISSIPPI-ALABAMA-FLORIDA)
	I hereby certify, that on this day, before me, a Notary Publ	ic	
7.	duly authorized in the state and county aforesaid to take acknowledgments, p		
•.	D. H. Lovelady and Karl C. Harrison		
	to me known to be the person _S described in and who	o executed the foregoing instrument and _	they
	acknowledged before me that, being informed of the contents of the same, the within and foregoing instrument on the day and year therein mentioned.	they	voluntarily signed land idelivered
	Given under my hand and official seal, this	Management Designation of the second	77
	(Affix Seal)	day of the state o	A.D. 19.
		Notary Public	
	My commission aminor (1/25/25)	in and for Shelby	Official)
•••	My commission expires	in and for Diletby	_County,Alabama
	STATE OF MINING		
			•
	COUNTY OF		
	I hereby certify, that on this day, be	fore me a Notarr Dubl.	
	in the state and county aforesaid to take a	cknowledgments, persons	ic dury anthorized
	W. E. LOVELADY III to me known to be the pe	erson described in and w	who executed the
	foregoing instrument and he acknowledged be	fore me that, being int	formed of the
•	contents of the same, he voluntarily signed	and delivered the with	nin and foregoing
	instrument on the day and year therein ment	ioned.	
	Given under my hand and official seal,	this A	
	1977.		
ו	My commission expires (/50/)	Notary Public in	and for
•	Ty committee the caption of the capt	County, Ala	
•			
1	STATE OF A CONTINUED		
•			
. (COUNTY OF		
	I hereby certify, that on this day, be:	fore me. a Notary Publi	C duly authorized
•	in the state and county aforesaid to take a	cknowledgments, persona	lly appeared

LOUISE LOVELADY to me known to be the person described in and who executed the

instrument on the day and year therein mentioned.

" Given under my hand and official seal, this official.

foregoing instrument and she acknowledged before me that, being informed of the

contents of the same, she voluntarily signed and delivered the within and foregoing

	1//0//06	Notary Public	in and for	
	My comission expires	County,		
	STATE OF A CAMPAGE	•		·
	5/1///		• • • • • • • • • • • • • • • • • • •	<u>-</u>
		37 - L - : T344	hlia dulu authorizad	
-	I hereby certify, that on this day, before	lowledgements. Der	sonally appeared La.	TIT TOVE
	in the state and county aforesaid to take ackr			
-	and he acknowledged below	e me that, being	THEOTHER OF CITE OFFICE	01 500
000	contents of the same, he voluntarily signed ar instrument on the day and year therein mention	ied.	a	minor
,		5-61		
	Given under my hand and official seal, th	115		
	1977.			7 ~~
		1 de la		
٠.	1/36/75	Notary Publiq	in and for	
	My comission expires			
•				
				•
	STATE OF LEGION CO.			
•				
and the	COUNTY OF JACK			
	I hereby certify, that on this day, before the state and county aforesaid to take acknown	re me, a Notary P	ublic duly authorize ally appeared LUCILI	ed in LE
	is a seemed that the seemed the seemed the boundary of the seemed	Jed TH and And cve	Cara dara	
		- 11 F G TO HO		ıg.
	foregoing instrument and she acknowledged be contents of the same, she voluntarily signed instrument on the day and year therein mention	oned.		
		12 1-111	v of	
	Given under my hand and official seal,			4.7 4.7 4.7 4.7 4.7 4.7 4.7
			7 The state of the	27 _ 1
•			John Brown John State	

Shelby Cnty Judge of Probate, AL

09/16/1977 12:00:00AM FILED/CERT

RENTAL DIVISION ORDER WITH RATIFICATION

KNOW ALL MEN BY THESE PRESENTS

D.H. Lovelady, Karl C. Harrison	as lease, dated April 28, 1977 , W.E. Lovelady III, Louise Lovelady	, from
Scott Lovelady and Lucille Love	lady	, as Lessors,
to Joe B. Hanna	, as Lessee, recorded in Book	, Page,
of theRecords ofS	<u>helby</u> County, <u>Alabama</u>	, is owned by
· ————————————————————————————————————	Joe B. Hanna	
in so far as it covers the following described la to-wit: TOWNSHIP 22 SOUTH, RANGE 3 WEST	nd in Shelby County,	Alabama,
Section 17: The NW보 NW보; N½ NW½ to creek; that part of	of the SW호 SE호 lying West of McHenn NE호 and that part of NE호 NW호 lying E the SE호 NW호 lying East of the Monter f the SW호 NE호 lying West of McHenry	East of the vallo-Dogwood
NOW, THEREFORE, in consideration of we_the undersigned	the sum of One Dollar (\$1.00) and other good and v	valuable considerations,
and each of us, do hereby ratify, approve, confirm, and	adopt the above described oil and gas lease in so far as it	covers the above described
has been duly made of the entire bonus consideration as	Joe B. Hanna subj do hereby agree and declare that said lease is now in full for nd all of the delay rentals necessary to extend said lease to t als which may be paid under the terms of said lease with res	he next rental paying date:
CREDIT TO	XXXXXXXXX DEPOSITORY	AMOUNT
D.H. Lovelady P.O. Box 81 Montevallo, Alabama 35115	Merchants & Planters Bank MONTEYALLO, AL 35/15	\$111.33
Karl C. Harrison Columbiana, Alabama 35051	First National Bank of Columbiana Columbiana, Alabama 35051	·
W.E. Lovelady III Route I Box 54-E montevallo, Habama	Merchants & Planters Bank Montevallo, Al. 25115	\$ 27 84
Louise Lovelady 1202 Monarch Ave Birmingham, Al 35213	First N=troinal Bank of Birmingham Hoover Branch Birmingham, Al 35216	\$ 27.84
Scott Lovelady 1203 Monarch Aue. Birmingham, Al. 35213	First National Bank Hoover Branch Birmingham, Al.	\$ 27.84
Lucille Lovelady Rd. #2000-14 Marie Han Gan 30067	Security National Bank Powers Ferry 1-580-9-7795-07	\$ 27.84
the manner specified in said lease will, as to his interest according to its terms; provided, that if no amount is also other parties, or their successors in interest, will so exte	h opposite his name, directly or to his credit in the depository t in the said land, extend said lease and continue the sam nove set forth opposite his name, then payment of the amount and said lease. This instrument shall be fully binding upor ecutes the same, without regard to execution or lack of execution	e in full force and effect ints above set forth to the i, and effective as to the
shall be binding upon the heirs, legal representatives, su		, and the provisions hereof
WITNESS our hands and seals this	28th day of April Man Control Karl C. Harrison	_, 19 <u>77</u>
W.E. Lovelady III	Louise Lovelady	edy.
Scott Lovelady Scott Love	Lucille Lovelady	elady

JUN KUND II HALLANDA

STATE OF ALABAMA



COUNTY OF SHELBY

1977.

I hereby certify, that on this day, before me, a Notary Public duly authorized in the state and county aforesaid to take acknowledgments, personally appeared D. H. LOVELADY AND KARL C. HARRISON to me known to be the persons described in and who e executed the foregoing instrument and they acknowledged before me that, being informed of the contents of the same, they voluntarily signed and delivered the within and foregoing instrument on the day and year therein mentioned.

Given under my hand and official seal, this // day of
1977.
Man Alanda Da
Notary Public in and for Shelby
My commission expires 775/80 County, Alabama
STATE OF V (CONTINC)
COUNTY OF MIN
I hereby certify, that or this day, before me, a Notary Public duly authorized
in the state and county aforesaid to take acknowledgments, personally appeared
We have and who executed the
foregoing instrument and he acknowledged before me that, being informed of the
contents of the same, he voluntarily signed and delivered the within and foregoing
instrument on the day and year therein mentioned.
Given under my hand and official seal, this
1977.
The state of the s
Notary Public in and for
My commission expires // /// County, Ala
STATE OF MANAGEMACE
COUNTY OF 11/1/R
The delivery of the standard o
I hereby certify, that on this day, before me, a Notary Public duly authorized
in the state and county aforesaid to take acknowledgments, personally appeared LOUISE LOVELADY to me known to be the person described in and who executed the
foregoing instrument and she acknowledged before me that, being informed of the
contents of the same, she voluntarily signed and delivered the within and foregoing
the bound wear therein mentioned.

Given under my hand and official seal, this

) }	STATE OF (CONANCO)
)	COUNTY OF Alle
)). {	I hereby certify, that on this day, before me, a Notary Public duly authorized in the state and county aforesaid to take acknowledgements, personally appeared Edith Love o me known to be the person described in and who executed the lady, Guar-foregoing instrument and he acknowledged before me that, being informed of the dian of contents of the same, he voluntarily signed and delivered the within and foregoing Scott instrument on the day and year therein mentioned. Lovelady
	Given under my hand and official seal, this 5th day of 100 a minor 1977.
*	(Da Ou III)
	ly commission expires / 26/26 County,
	1977 SEP 16 At 11: 10
· · · · · · · · · · · · · · · · · · ·	Acop 101 50
	COUNTY OF SIME OF MUDGENEENTE MERCENTE MERCENTE MERCENTE MERCENTE MERCENTE MERCENTE MENERAL 16.70
· .	I hereby certify, that on this day, before me, a Notary Public duly authorized in the state and county aforesaid to take acknowledgments, personally appeared LUCILLE OVELADY to me known to be the person described in and who executed the
	oregoing instrument and she acknowledged before me that, being informed of the contents of the same, she voluntarilly signed and delivered the within and foregoing instrument on the day and year therein mentioned.
	Given under my hand and official seal, this of an of its part of the seal of t
	-1103-7
o≜ 55×€	Estate Condition of the

