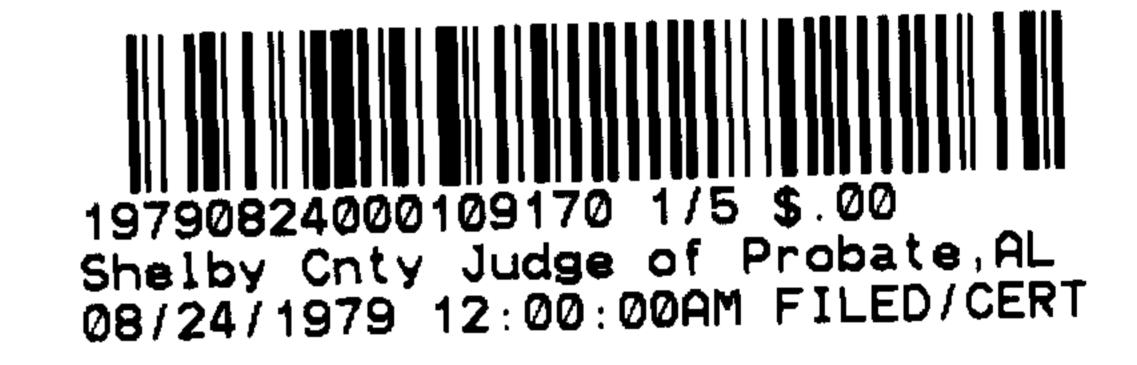
Producers 88 (SP 5-79) — With Pooling Provision Pamela G. Hoskin, P. O. Box 894,  Mississippi, Alabama, Florida  Burlington, Colorado 80807  OIL, GAS AND MINERAL LEASE  ALA-10009
THIS AGREEMENT made this
lessor (whether one or more), whose address is: Route 1, Brierfield, Alabama 35035  and Atlantic Richfield Company

See EXHIBIT "A" attached hereto and made a part hereof



## EXHIBIT 'A"

This exhibit is attached to and made a part of that certain Oil and Gas Lease dated June 12, 1979, between Kermit L. Stephens, Edna Faye Stephens, Edward E. Stephens, Dorothy V. Stephens, Joseph W. Stephens, and Lulla Mae Stephens as Lessors, and Atlantic Richfield Company as Lessee, covering all of the following described lands, to-wit:

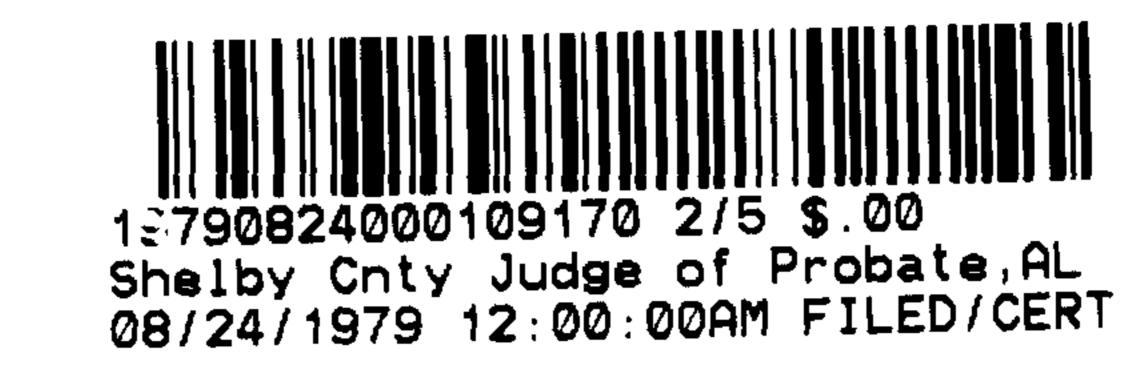
## TRACT NO. 1

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The Word of the SWE of Section 4; Also that part of the Eb of the SEE of Section 5 lying east on a line described as follows; to-wit: Beginning at a point on the north line of said  $E^{\frac{1}{2}}$  of the SE $\frac{1}{6}$  which is 10.25 chains east of the northwest corner of said E of SE , running thence south 11 chains; thence south 11 chains; thence south, 34 degrees 30 minutes west, 14.09 chains to Shoal Creek; and thence southeasterly up the run of said creek to its intersection with the south line of said  $E_{\overline{b}}$  of  $SE_{\overline{b}}$  of Section 5; Also, all that part of the  $SE^{\frac{1}{4}}$  of the  $SE^{\frac{1}{4}}$  of Section 5, in the southwest corner thereof which lies south of the right of way of the B.B. & B. Branch of the Southern Railway; Also all those parts of the NEt of the NWt and Wb of the NW of Section 9 and Eb of the NEb of Section 8, which are located within the following described lines and boundaries, to-wit: Beginning at a point of intersection of the westerly line of the right of way of Southern Railway with the north line of said Section 9; run thence Southwesterly along said right of way line to its intersection with the north line of the Southern Railway "Y" right of way; thence Westerly along and following the curvature of said "Y" right of way line to its intersection with the east right of way line of the said B.B. & B. Branch of said railway; thence northerly along said mentioned line to its intersection with Shoal Creek; thence northwesterly down the run of said creek to its intersection with the north line of the  $NE^{\frac{1}{4}}$  of  $NE^{\frac{1}{4}}$  of said Section 8; thence east along the north line of said Section 8 and 9 to point of beginning; Also all of the Ea of the NEt of said Section 8 lying west of the right of way of the said B.B. & B. Branch of said railway, except such part on and in the south part



at a point of intersection of the westerly line of the right of way of Southern Railway with the north line of said Section 9; run thence Southwesterly along said right of way line to its intersection with the north line of the Southern Railway "Y" right of way; thence Westerly along and following the curvature of said "Y" right of way line to its intersection with the east right of way line of the said B.B. & B. Branch of said railway; thence northerly along said mentioned line to its intersection with Shoal Creek; thence northwesterly down the run of said creek to its intersection with the north line of the NEt of NEt of said Section 8; thence east along the north line of said Section 8 and 9 to point of beginning; Also all of the  $E^{\frac{1}{2}}$  of the NE $^{\frac{1}{4}}$  of said Section 8 lying west of the right of way of the said B.B. & B. Branch of said railway, except such part on and in the south part thereof as is cut off and excluded and bounded on the west and northeast by the following described line, to-wit: Commencing at the southwest corner of the SEL of NEL of said Section 8, running thence north, 4 degrees east, 14.186 chains; thence south, 55 degrees 10 minutes east, 857 feet which point is the southwest corner of a lot heretofore known as the Ambrose lot; thence north 2 10 degrees 30 minutes east, 209 feet; thence south, 55 degrees 10 minutes east, 209 feet; thence south 10 degrees 30 minutes west, 209 feet; thence south, 55 degrees 10 minutes east, 284 feet, more or less, to the west line of the right of way of said B.B. & B. Branch; also excepting from this conveyance certain lots No. 1 to 6, both inclusive, according to a survey and allotment made by Theodore O. Sparks for J. W. Little on August 7, 1913, E and which lots include and embrace a parcel of land described as follows: To locate the beginning point of description of the excepted lots, start at the northwest corner of the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of said Section 8; run thence south 169.1 feet and thence north, 89 degrees 30 minutes east, 687 3/4 feet, which point is the northwest corner of the parcel hereby excepted; from this beginning point, run south, 30 minutes east, 530.6 feet; thence north, 89 degrees 30 minutes east, 160 feet; thence north 30 minutes west, 530.6 feet and thence south, 89 degrees and 30 minutes west, 160 feet to the point of beginning of said parcel hereby excluded; also except from this conveyance all rights of easements of the public, in and upon the public highway on said lands hereby conveyed; The rights of way of Railway lines and "Y" hereinabove referred to include and comprise a strip of land extending 50 feet on either side of the center line of the respective lines and "Y" referred to and running parallel with center lines respectively; All of said lands hereby conveyed being in Township 24, North, Range 12 East and being the lands heretofore known and called "The J. W. Little Farm'; containing in all 197 acres, more or less, and being situated in Shelby County, Alabama, LESS AND EXCEPT 6.102 acres, more or less, heretofore conveyed to the Housing Authorit of the Town of Montevallo, Alabama, the same being more particularly describe as follows: Commencing at a stone marking the Southeast corner of the SEt of the NEt of Section 8, Township 24 North, Range 12 East of the St. Stephens Meridian, run South 51049' West 35.85 feet; thence North 34038' West 746.80 feet to a point on a fence and hedge row, 25 feet Westerly from the centerlin of Church Street as a point of beginning; thence run North 54025' West with

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Page 1 of 2

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a fence and hedge row for 810.53 feet to a point 25 feet Easterly from the centerline of Depot Street; thence run North 21°50' West parallel to the centerline of Depot Street for 268.57 feet; thence run South 69°21' East 744.49 feet to the end of a fence and hedge row; thence run South 89°14' East along said fence and hedge row for 152.41 feet, to a point 25 feet Westerly from the centerline of Church Street; thence run South 07°52' East, parallel to the centerline of Church Street for 121.11 feet; thence run South 18°11' East, parallel to the centerline of Church Street, for 257.33 feet to the point of beginning.

Containing 191 acres, more or less, subject to easements and rights of way of record.

## TRACT NO. 2

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Wanel; Eanwi; Nwiswi and all that part of the NEiswi and that part of the Nwisei of Section 30, Township 20 South, Range 2 East, that lies North of the Creek; and Seiswi of Section 19, Township 20 South, Range 2 East, containing 280 acres, more or less.

## TRACT NO. 3

All that part of the  $NW_{\frac{1}{4}}^{\frac{1}{4}}SW_{\frac{1}{4}}^{\frac{1}{4}}$  and all that part of the  $SE_{\frac{1}{4}}^{\frac{1}{4}}NW_{\frac{1}{4}}^{\frac{1}{4}}$  lying North of the right of way of the Southern Railroad Company and South, or Southeast of the Columbiana and Calera paved highway and East of Rum Branch, all in Section 13, Township 22 South, Range 2 West.

Also, all that part of the  $NW_{+}^{-}NW_{+}^{-}$  of Section 13, Township 22 South, Range 2 West, lying East and Southeast of the Columbiana and Calera Highway.

Also, 20 acres, more or less, more particularly described as follows:

All that part of the  $NE_{\pi}^{\frac{1}{4}}SE_{\pi}^{\frac{1}{4}}$  of Section 14, Township 22 South, Range 2 West, lying North of the Southern Railroad right of way and South of the Calera-Columbiana public road, LESS AND EXCEPT, 10 acres, more or less, more particularly described as follows: A portion of the  $NE_{\pi}^{\frac{1}{4}}SE_{\pi}^{\frac{1}{4}}$  of Section 14 Township 22 South, Range 2 West and the  $NW_{\pi}^{\frac{1}{4}}SW_{\pi}^{\frac{1}{4}}$  of Section 13, Township 22 South, Range 2 West described as follows: Begin at the intersection of the  $SE_{\pi}^{\frac{1}{4}}$  80 foot right of way of the Southern Railroad and run Northeasterly along the Southeast right of way of said State Highway for 1247.46 feet, then turn an angle of 90 00' to the right and run Southeasterly for 520.99 feet to a point on the North right of way of Southern Railroad, then turn an angle to the right and run Southwesterly along a curved portion of said right of way (said curve being concave Northwesterly) 1382.30 feet back to the point of beginning, containing 10 acres, more or less.

And that part of the  $NW_{+}^{1}SW_{+}^{1}$  and  $SE_{+}^{1}NW_{+}^{1}$  of Section 13, Township 22 South, Range 2 West, lying North of Southern Railway right of way South of Calera-Columbiana public road and West of Rum Branch.

Signed for identification this 12th day of June, 1979.

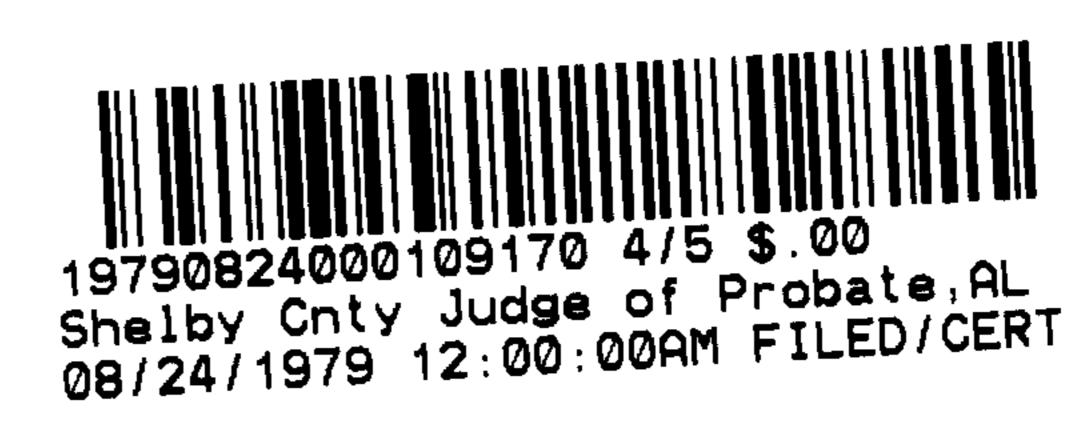
Edna Lay Stephen	1 1 1 min
Edna Faye Stephens	Kermit L.
Doroth V. Stylen.	(de inoulle
Porothy V., Stephens	Edward E.
Julia Mae Stephens	Mass
Lulla Mae Stephens	Jøseph W.

Kermit L. Stephens

Liver & Stephens

Liward E. Stephens

Joseph W. Stephens



This lease also covers and includes, in addition to that above described, all land, it 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 (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus, delay rental or

other payment hereunder, said land shall be deemed to contain 494.31 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 and agrees to accept the delay rental as lump sum considerations for this lease and all rights, and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) 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 one-eighth 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 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 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, including casinghead gas or other gaseous substances, produced from said land and sold or used off the premises for the extraction of gasoline or other product therefrom, one-eighth of the market value computed at the mouth of the well of the gas so sold or used; provided that on gas sold by Lessee the market value shall not exceed the cash proceed received by the Lessee for such gas computed at the mouth of the well, and on gas sold at the well the royalty shall be one-eighth of the cash proceeds realized by Lessee from such sale. (145.00) KNACKOK NOCKOK NOCKO

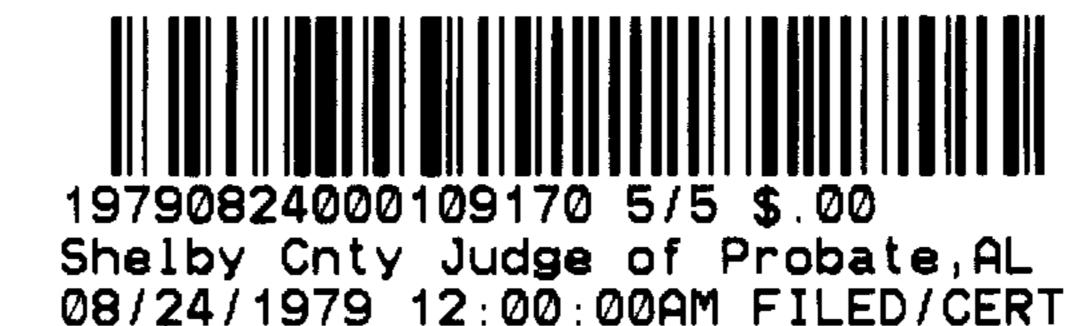
Pasobition of the price of the price of the price of the purpose of computing such the real part of the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or 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 shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee of such diligence, lessee shall not be obligated to install 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 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 furnish facilities other than 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 shall make like payments or tenders at or before the end of each anniversary this lease 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 royalties 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 r

- 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 horizon thereunder, so as to establish units containing not more than 80 surface acres plus 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 reservoir. If larger units are prescribed or permitted under any governmental rule or order for the drilling or operation of a well at a regular location, or for the obtaining of a 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 prescribed or permitted 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 reversionars 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 lessee 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 hereunder 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

or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$\frac{194.34}{194.34}\$, 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 neverthless be 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 released of this lease as to any part or all of said land or of mineral or horizon

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 oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

My commission expires



7. Lessee shall have the use, free from royalty of water, other than from lesson'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 drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee thall pay for damages caused by its operations to growing crops and timber on said land.

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 covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of lessee, 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 lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, delay rental, or other moneys, or the right to receive the same, howsoever effected, shall be binding 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 lessor or lessor's heirs, successors, or assigns, notice of such change 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 of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless 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 the event of assignment of this lease as to any part (whether divided or undivided) of said land, the delay rental payable hereunder shall be apportionable as between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay r

9. In the event lessor considers that lessee has not complied with all its onligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sayly (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 lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. No there the 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 lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which lessee has been judicially determined to be in perault. 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 unstrule a duffing or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly a practicable in the form of a square centered at the well, or in such shape as then existing spacing toles require; and (2) any part of said land included in a pooled unit on which there are appearations. 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 shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said and, but lessor agrees that lessee 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 holder 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 lease. Lessee is hereby given the 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 outstanding and not covered nereby and even though such outstanding interest or claim be invalid or adverse to lessor. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any ram of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease (whether or not owned by lessor) shall be paid out of the royalty nere a 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 crass 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, rescept financial) beyond the reasonable control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary date rerest 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

IN WITNESS WHEREOF, this instrument is executed on the date first above writer	Manual Allan
	Kermit L. Stephens/s.s.#
Edna Ju, Dugland	Edicial Status
Eana Faye Stephens	Edward E. Stephens S.S. #
Latter i siching	Joseph Wi Stershins
Dozothy/V. Stephens His Million.	Joseph W. Stephens S.S. #
Eulla Mae Stephens	Fire 27-00 2. Mineral 24.70
3.0 AUG 24 PH 2:	24 Inch. 1.00 
STATE OF ALABAMA	JOINT OR SINGLE ACKNOWLEDGMENT (MISSISSIPPI-ALABAMA-FLORIDA)
COUNTY Of BIBB	
I witch the risks: That con this day, before me, a	Kermit L. Stephens and Edna Faye
dul Suthopzed in the state and county aforesaid to take acknowledgements, personally as	Peared Stephens, his wife. Edward E.
Seensy his with	wife; Joseph W. Stephens and Iulla Mae
To me-knows to be the person S	in and who executed the foregoing instrument and the y
acknowledged before me that, being informed of the contents of the said delivered the within and foregoing instrument on the day and year therein mentioned.	the y voluntarily signed and
Given undermy hand and offical seal, this	12th June AD. 1979.
(Affix Seal)	Kin Stains
	Minai Bultu
My Commission Expires Aug. 18, 1979	(Title of Official)