Prepared by: [redacted] 205-979-5755

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of February

William E. Burdett and
Patricia L. Burdett, his wife

Route 1, Box 99-D, Chelsea, AL. 35043

Texco Production Company, Box 30679, New Orleans, La. 70150

---One Hundredand Five and no/100----

105.00 to be paid on the terms herein provided and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the land for the purpose of exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon to take care of, treat, transport and own said products, and housing its employees, the following described land in Shelby County, Alabama, to-wit:

Parcel 1 - Begin at the N.E. corner of SE¼ of the SW¼ of Section 2, T-22-S, R-2-W, and run Easterly along the North side of the said quarter-quarter for 267.19 ft. to the point of beginning. Then continue along the last described course for 708.94 ft., then turn an angle 88 deg. 01' 07" to the right and run Southerly for 308.16 ft., then turn an angle of 79 deg. 11'46" to the right and run Southwesterly for 146.37 ft., then turn an angle of 79 deg 15' to the left and run Southerly for 537.47 ft. to a point on the Northwest right of way on Shelby County Road No. 11, then turn an angle of 23 deg 27'20" to the right and run Southwesterly along the said R.O.W. for 101.58 ft., then turn an angle of 150 deg 32'40" to the right and run Northerly for 570.40 ft., then turn an angle of 50 deg 58'22" to the left and run Northwesterly for 661.01 ft. back to the point of beginning.

Parcel 2 - Begin at the N.W. corner of the NE¼ of the SW¼ of Section 2, T-22-S, R-2-W and run Easterly along the North side of the said quarter-quarter for 135ft to the point of beginning. Then turn an angle of 27 deg 07'11" to the right and run Southeasterly for 403.75 ft. to a point on the Northwest right of way of Shelby County Road No. 11 (said right of way being curved concave Northwesterly and having a radius of 1596.86 ft.), then turn an angle to the right and run Southwesterly along the said R.O.W. through a central angle of 18 deg 21'41" for 515.22 ft. (angle to the 512.99 ft. chord of 110 deg 15'33" to the right) then turn an angle from the 512.99 ft. chord of 130 deg 46'10" to the right and run Northerly for 531.69 ft. to a point on the North side of the NE¼ of the SW¼ then turn an angle of 91 deg 49'06" to the right and run Easterly for 35.00 ft. back to the pointof beginning.

It is understood and agreed that this lease covers only oil, gas, gaseous derivatives and other gaseous and liquid hydrocarbons and sulphur, but does not cover coal, iron ore, or other hard rock minerals.

It is the intention of Lessor and Lessee that this lease shall 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 one or more parcels or sections, grant or grants, or in adjacent sections or grants, although not included herein.

For the purpose of determining the amount of any monies payable hereunder, the lands herein shall be treated as comprising 7 gross acres, whether there be more or less, and in the event of a partial assignment of surrender hereunder, the assigned or surrendered portion or portions shall be deemed to contain the number of gross acres stated in such assignment or surrender.

2. Subject to the other provisions herein contained, this lease shall be for a term of XX Five years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced in paying quantities from said land or lands pooled therewith.

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 pipe line to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession paying the market price therefor prevailing for the field where produced on the date of purchase. (b) on gas, one-eighth (1/8) of the market value at the well of the gas sold or used off the premises or used in the manufacture of any product of gasoline or any other product, but in no event shall royalty on gas be less than one-eighth (1/8) of the market value at the well of the gas used in operations hereunder, (c) 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 marketed the royalty shall be fifty cents ($0.50) 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 production 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 commencement of payment of a minimum royalty as referred to in that gas payment clause contained in paragraph 6. Should such conditions occur or exist at the end of or after the primary term, or within the extension thereof, Lessee's rights may be extended beyond said date of the primary term by the commencement, resumption or continuance of such payments at the rate and in the manner provided in paragraph 6 for 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 deemed to be the date on which such payment is made, it will be conclusively presumed that oil or gas or gaseous substances are being produced within the meaning of paragraph 2 hereof. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and royalty on oil, gas and coal shall be computed after deducting any so used.

4. Lessee 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 for the purpose of production, whenever Lessee shall deem it 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 by any duly authorized authority, or when Lessee shall deem it necessary or advisable in order to conserve the oil and gas on and under and that may be produced from said premises, or when Lessee shall deem it necessary or advisable in order to obtain a maximum production, and to execute in connection therewith any instrument which may be required for such purpose, and to maintain the pooled acreage. The creation of any such pooled acreage shall be treated as if production from the pooled acreage shall be treated as if production from the pooled acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production from this lease, whether the well or wells be located on the premises covered by this lease or on a portion of the royalty reserved hereunder, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the number of gross acres of royalty interest in this lease covered by this lease bears to the total acreage so pooled in the particular unit involved.

5. If operations 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 Lessee on or before the expiration of said period shall pay or tender to Lessor, or to the credit of Lessor in First Bank of Alabaster Alabaster, Alabaster, Alabama, or its successors, which shall be Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land, the sum of

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7.00 ---------- dollars, 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 or tenders annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental may be made by check or draft of Lessee or Lessee's assigns mailed or delivered to Lessor or to a depository bank on or before the rental paying date. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be in default hereunder for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payment or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere royalty. Any royalty interest in oil, gas and other minerals hereunder, owned or claimed by Lessor, shall be deemed to be a royalty interest in the land described herein, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. If Lessor shall convey all or any portion of its interest in any of the land or minerals subject to this lease, then the rentals accruing hereunder shall be apportioned between the owners of the interests affected hereby in the ratio of their respective interests, and the liability for the payment thereof shall rest severally on each such owner of a portion of such interest.

6. Lessee shall have the right at any time during or after the operations of the primary term to pool or unitize the land covered by this lease or any portion or portions thereof with other land, lease or leases in the immediate vicinity when, in the judgment of Lessee, 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 by any duly authorized authority, or when Lessee shall deem it necessary or advisable in order to conserve the oil and gas on and under and that may be produced from said premises, or when Lessee shall deem it necessary or advisable in order to obtain a maximum production, and to execute in connection therewith any instrument which may be required for such purpose, and to maintain the pooled acreage. The creation of any such pooled acreage shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if production from the pooled acreage shall be treated as if production from the pooled acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production from this lease, whether the well or wells be located on the premises covered by this lease or on a portion of the royalty reserved hereunder, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the number of gross acres of royalty interest in this lease covered by this lease bears to the total acreage so pooled in the particular unit involved.

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20. Lessee shall have the right at any time during or after the operations of the primary term to pool or unitize the land covered by this lease or any portion or portions thereof with other land, lease or leases in the immediate vicinity when, in the judgment of Lessee, 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 by any duly authorized authority, or when Lessee shall deem it necessary or advisable in order to conserve the oil and gas on and under and that may be produced from said premises, or when Lessee shall deem it necessary or advisable in order to obtain a maximum production, and to execute in connection therewith any instrument which may be required for such purpose, and to maintain the pooled acreage. The creation of any such pooled acreage shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if production from the pooled acreage shall be treated as if production from the pooled acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production from this lease, whether the well or wells be located on the premises covered by this lease or on a portion of the royalty reserved hereunder, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the number of gross acres of royalty interest in this lease covered by this lease bears to the total acreage so pooled in the particular unit involved.

21. If operations 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 Lessee on or before the expiration of said period shall pay or tender to Lessor, or to the credit of Lessor in First Bank of Alabaster Alabaster, Alabaster, Alabama, or its successors, which shall be Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land, the sum of

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24. Lessee shall have the right at any time during or after the operations of the primary term to pool or unitize the land covered by this lease or any portion or portions thereof with other land, lease or leases in the immediate vicinity when, in the judgment of Lessee, 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 by any duly authorized authority, or when Lessee shall deem it necessary or advisable in order to conserve the oil and gas on and under and that may be produced from said premises, or when Lessee shall deem it necessary or advisable in order to obtain a maximum production, and to execute in connection therewith any instrument which may be required for such purpose, and to maintain the pooled acreage. The creation of any such pooled acreage shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if production from the pooled acreage shall be treated as if production from the pooled acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production from this lease, whether the well or wells be located on the premises covered by this lease or on a portion of the royalty reserved hereunder, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the number of gross acres of royalty interest in this lease covered by this lease bears to the total acreage so pooled in the particular unit involved.

25. If operations 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 Lessee on or before the expiration of said period shall pay or tender to Lessor, or to the credit of Lessor in First Bank of Alabaster Alabaster, Alabaster, Alabama, or its successors, which shall be Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land, the sum of

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26. Lessee shall have the right at any time during or after the operations of the primary term to pool or unitize the land covered by this lease or any portion or portions thereof with other land, lease or leases in the immediate vicinity when, in the judgment of Lessee, 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 by any duly authorized authority, or when Lessee shall deem it necessary or advisable in order to conserve the oil and gas on and under and that may be produced from said premises, or when Lessee shall deem it necessary or advisable in order to obtain a maximum production, and to execute in connection therewith any instrument which may be required for such purpose, and to maintain the pooled acreage. The creation of any such pooled acreage shall be treated, for all purposes except the payment of royalties on production from the pooled acreage, as if production from the pooled acreage shall be treated as if production from the pooled acreage so

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14. Lessee shall have the option to renew this lease, in whole or in part, and extend the primary term for an additional period equal to the initial primary term commencing on the expiration data of the initial primary term by paying or tendering to Lessor, as a bonus, the sum of---Fifteen and no/100--- Dollars ($ 15.00) per acre for each acre renewed, on or before the expiration date of the initial primary term or, if drilling or reworking operations are being conducted on the leased premises or land pooled therewith on the expiration date of the initial primary term and such operations do not result in a commercial well and the well is plugged or abandoned, payment or tender may be made within thirty (30) days from the date on which the well is plugged or abandoned. Payment or tender of the renewal bonus may be made in the same manner and into the same depository provided for the payment of delay rental If Lessor owns an interest in the land less than the entire fee simple estate, the renewal bonus shall be reduced proportionately to accord with the interest actually owned by the Lessor. In the event of the assignment of this lease as to a segregated portion of the land, the renewal bonus payable hereunder shall be apportionable as between the several leasehold owners ratable and according to the surface area of each and the renewal option shall be exercisable severally and separately as to each assigned portion. In the event the lease is renewed and extended in part only, Lessee shall promptly file for record an instrument in the county in which the land is situated, designating the acreage renewed and extended and the acreage released. The renewal bonus shall be in lieu of delay rental for the first year of the extended term.

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

William E. Burdett

William E. Burdett [redacted]

Patricia L. Burdett

Patricia L. Burdett

FILED IN MY OFFICE
1982 MAR 12 AM 10:40

Dud 50
Mtg 35
Rec 6.00
Ind. 1.00
11.85

STATE OF Alabama

COUNTY OF Shelby

I, Max E. White, A Notary Public in and for said County, in said State, hereby certify that William E. Burdett and Patricia L. Burdett

Whose names are signed to the foregoing instrument, and who 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 23rd day of February A.D. 1982.

Max E. White
Notary Public in and for
Jefferson County
Alabama at Lar[redacted]

MY COMMISSION EXPIRES December 5, 1985.

NOTA[redacted]