

10. The breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor be cause for cancellation hereof in whole or in part save as herein expressly provided. If the covenants should require the drilling of a well or wells, Lessee shall have ninety (90) days after the receipt of written notice by Lessor from Lessor specifically stating the breach alleged by Lessor within which to begin operations for the drilling of any such well or wells and the only penalty for failure so to do shall be the termination of this lease save as to forty (40) acres for each well being worked during the period of such delay selected by Lessor so that each forty (40) acre tract will embrace one such well. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall not be required to drill a well or wells hereunder, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil, gas or other mineral in paying quantities.

11. Lessee hereby warrants and agrees to defend the title to said land and agrees that Lessor at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and Lessor in such case shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessor's rights in the event of an event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately to the share of Lessor in such interest and shall not impair the right of Lessor to reduce royalties. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the proceeds of Lessor's wellhead.

12. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of inability of or inability to obtain or to use equipment or material, or by operation of force majeure, or any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended during and as long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the leased premises, and the time while Lessee is so prevented shall be counted against Lessee, anything in this lease to the contrary notwithstanding.

13. The undersigned Lessor, for himself and his heirs, successors and assigns, hereby surrenders and releases all rights of homestead in the premises herein described, in so far as said rights of homestead exist in any way, for the purpose for which this lease is made as recited herein, and agrees that the annual drilling deferment rental payments made to Lessor as herein provided will fully protect the same as to the full interests of the undersigned.

14. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of and 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 prime and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. After this time has expired and including the last day of the primary term of this lease shall be subject to the terms and conditions of this section. Should Lessee elect to purchase the lease pursuant to the offer, it shall notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with the only consideration payable to Lessor in payment of the specified amount of consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt of said Lessor's draft, Lessor shall promptly execute said lease and return same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

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 date 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 ratably 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.

STATE OF ALABAMA, SHELBY CO.
I HEREBY THIS
1302 MAR 12 AM 10:14

Clyde H. Ledford
Clyde H. Ledford
S.S.#

J. Thomas G. ...
JUDGE OF PROBATE

Martha Ledford
Martha Ledford

STATE OF Alabama
COUNTY OF Shelby

Deed 1.00
Mort. 2.00
Fee 10.00
Total 14.00

I, The Undersigned Authority, A Notary Public in and for said County, in said State, hereby certify that Clyde H. Ledford and wife, Martha Ledford

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 10th day of February, A.D. 19 82.

MY COMMISSION EXPIRES 6/18/85

James A. Tucker
Notary Public in and for
State of Large County