

ASSIGNMENT OF OIL AND GAS LEASE

(RESERVING OVERRIDING ROYALTY INTEREST)

Whereas, On the 13th day of May, 1981, a certain oil and gas mining lease was made and entered into by and between The First National Bank of Corsicana, Texas, Executor and Trustee under the Will of Hortense E. Davant, Deceased, Lessor, and T. R. Herrington, Jr., Trustee Lessee, covering the following described land in the County (~~PARISH~~) of Shelby and State of Alabama, to-wit:

See Exhibit "A" attached hereto and made a part hereof for all purposes just as if fully set out herein.

Said lease being recorded in the office of the County Clerk (Recorder) in and for said County (Parish) in Book 334, Page 375, and

Whereas, The said Lease and all rights thereunder or incident thereto are now owned by

T. R. Herrington, Jr., Trustee

Now, Therefore, for and in consideration of One Dollar (and other good and valuable considerations), the receipt of which is hereby acknowledged, and subject to the reservations hereinafter made, the undersigned, the present owner of the said lease and all rights thereunder or incident thereto, do SS hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner, in and to said lease and rights thereunder, insofar as it covers the entire leasehold interest

together with all personal property used or obtained in connection therewith to Sohio Petroleum Company and its heirs, successors and assigns.

Excepting, however, that assignor herein expressly reserves to himself, his heirs and assigns, the equal 1/64th part of all oil, gas and other minerals which may be produced and saved by grantee, its heirs, successors and assigns, from the land affected hereby under and by virtue of the lease above mentioned, delivery of such oil, or/and gas to be made free of cost to the credit of assignor into storage tanks by him provided, or into the pipeline to which the well or wells on said premises may be connected. On dry gas, or casing-head gas, when marketed from said premises, assignor shall be paid 1/64th part of the net proceeds at the wells derived therefrom; and on casing-head gas or other gaseous or vaporous substances produced from said premises and utilized by grantee, its heirs, successors and assigns in the manufacture of gasoline, assignor shall be paid 1/64th part of the current market value at the wells of the casing-head gas or other gaseous or vaporous substances so utilized, and assignee shall not be required to make settlement with assignor therefor until assignor shall have executed and delivered to assignee the form of casing-head gas division order then in use by assignee covering the casing-head gas so utilized. Fuel oil and gas for operating the premises, and for treating and handling products therefrom (and the proportionate part of fuel oil and gas consumed in a central plant, should this lease be operated jointly with other premises through the use of such plant) shall be deducted before said royalties on oil and gas are computed.

Assignor reserves an overriding royalty on sulphur equal to .375 cents per long ton of 2240 pounds on all sulphur mined and marketed from said premises. It is expressly agreed that neither grantee herein, nor its heirs, successors and assigns, shall be under any obligation against its or their will, either to preserve the lease by rental payment, or to operate on said premises, for the discovery, development or production of oil, gas or sulphur; but all such rental payments and operations, and the extent and duration thereof, as well as the preservation of the leasehold, shall be solely at the will of the grantee herein, its heirs, successors and assigns.

Provided, however, that in the event grantee should elect to abandon or permit to terminate the leasehold estate here assigned, in whole or in part, during its primary term or any extension thereof, by failure to pay the delay rentals or to conduct operations or otherwise, the grantor does hereby reserve unto himself ~~his~~ his ~~heirs~~ heirs, successors and assigns, the option to take over the leased premises and assume the obligation, together with the right to receive written notice from the grantee, and grantee does hereby agree to give such written notice to grantor herein of such intention to abandon, at least 30 days prior to any rental paying date or to any such abandonment of the leased premises, and upon notice in writing during said period by said grantor to said grantee, the grantor shall be entitled to receive a proper assignment of the estate, rights and property here assigned or the part thereof intended to be abandoned, and without additional consideration; and this right shall be a covenant running with the land.

Assignor agrees that if lessor in the above mentioned lease owns an interest in premises covered thereby, less than the entire and undivided fee, then the overriding royalty herein reserved shall be payable to assignor, in the proportion which the interest of the lessor in said land bears to the entire and undivided fee.

And for the same considerations, the undersigned for himself and his heirs, successors and representatives, do SS covenant with the said assignee, its heirs, successors, or assigns, that,

T. R. Herrington, Jr., Trustee is the lawful owner of the said lease and rights and interests thereunder and of the personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid.

In Witness Whereof, The undersigned owner and assignor has signed and sealed this instrument the 13th day of May, 1981
WITNESSES:

T. R. Herrington, Jr. Trustee

SOHIO PETROLEUM COMPANY

100 PINE STREET
SAN FRANCISCO, CALIFORNIA 94111

Date:

100 44-101

60 834

STATE OF TEXAS)

COUNTY OF NAVARRO)

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 T. R. HERRINGTON, JR., in his capacity as Trustee and known to me to be the person described in 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, and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this 13th day of May, 1981.

(AFFIX SEAL)

My commission expires: 1/12/84

Jane L. Luthers
Notary Public in and for
State of Texas

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BOOK

THE STATE OF ALABAMA §

COUNTY OF SHELBY §

NE 1/4 of NE 1/4; SE 1/4 of NE 1/4; SW 1/4 of NE 1/4; SW 1/4 of Section; NE 1/4 of SE 1/4; NW 1/4 of SE 1/4; SW 1/4 of SE 1/4; NE 1/4 of NW 1/4; SW 1/4 of NW 1/4; all in Section 25, Township 17 South, Range 1 East.

NW 1/4 of Section; SW 1/4 of Section; all in Section 11, Township 18 South, Range 1 East.

NW 1/4 of Section 21, Township 18 South, Range 1 East.

NW 1/4 of Section 9, Township 18 South, Range 2 East.

NE 1/4 of NE 1/4; NW 1/4 of NE 1/4; SW 1/4 of NE 1/4; NW 1/4 of Section; SW 1/4 of SW 1/4; all in Section 11, Township 18 South, Range 2 East.

NE 1/4 of Section; NW 1/4 of Section; all in Section 29, Township 18 South, Range 2 East.

NW 1/4 of NE 1/4; SE 1/4 of Section; NW 1/4 of Section; all in Section 3, Township 19 South, Range 1 East.

NW 1/4 of SW 1/4; SW 1/4 of SW 1/4; all in Section 17, Township 18 South, Range 1 West.

NW 1/4 of Section; NE 1/4 of Section; all in Section 23, Township 18 South, Range 1 West.

SW 1/4 of Section; E 1/2 of NW 1/4 of Section; all in Section 33, Township 18 South, Range 1 West.

NE 1/4 of NW 1/4; SW 1/4 of NW 1/4; all in Section 13, Township 19 South, Range 2 West.

NE 1/4 of NE 1/4; SE 1/4 of NE 1/4; SW 1/4 of NE 1/4; all in Section 21, Township 19 South, Range 2 West.

NE 1/4 of SE 1/4; SE 1/4 of SE 1/4; all in Section 27, Township 20 South, Range 3 West.

NW 1/4 of SE 1/4; SW 1/4 of NE 1/4; all in Section 13, Township 20 South, Range 4 West.

SW 1/4 of Section 27, Township 20 South, Range 4 West.

SE 1/4 of NE 1/4; NE 1/4 of SE 1/4; NW 1/4 of SE 1/4; SW 1/4 of SE 1/4; SW 1/4 of Section; all in Section 1, Township 21 South, Range 5 West.

N 1/2 of NE 1/4 of Section 7, Township 19 South, Range 1 East (Oil, Gas, Petroleum and Sulphur only).

RMD

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22-134

NW 1/4 of SE 1/4 (Oil, Gas, Petroleum and Sulphur only) of Section 17, Township 19 South, Range 2 West.

NE 1/4 of SW 1/4; NW 1/4 of SW 1/4; NW 1/4 of Section (Oil, Gas, Petroleum and Sulphur only); all in Section 30, Township 19 South, Range 2 West.

NE 1/4 of NE 1/4; NW 1/4 of NE 1/4; SE 1/4 of NE 1/4; NE 1/4 of SE 1/4; NW 1/4 of SE 1/4; SW 1/4 of SE 1/4; NW 1/4 of Section; SW 1/4 of Section (Oil, Gas, Petroleum and Sulphur only); all in Section 35, Township 19 South, Range 3 West.

South 9 acre of NW 1/4 of NW 1/4 and S. 4.5 acres of W 1/2 of NE 1/4 of NW 1/4 less 2.14 acres taken by highway in Section 20-19S-1W.

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1982 APR -5 AM 9:35

Thomas A. Snowden, Jr.
JUDGE OF PROBATE

Rec. 6.00
Ind. 1.00
7.00

RMD

010-534