

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this

18th

day of

March

-19- 82

10 of 10

Annie F. Shoop, a widow; Gary M. Shoop and wife, Pamela Shoop; and David Shoop and wife, Joyce Shoop

Route 1, Sterrett, Alabama 35417

AMOCO PRODUCTION COMPANY, P. O. Box 50879, New Orleans, La.

Lasser, WINNIE ET AL

Ten and more

10.00 & more), in hand paid, of the royalties herein provided; and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessor for the purpose of investigating, 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 produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Shelby, County, Alabama to wit:

For descriptions, see Exhibit "A" attached hereto and made a part of this agreement.

It is hereby agreed and understood between Lessor and Lessee that the bonus consideration paid for this lease shall be paid to Gary M. Shoop (one of the Lessors named herein).

It is agreed and understood that any annual delay drilling rentals that may be paid under the terms of this lease shall be paid to Gary M. Shoop, (one of the Lessors herein) or to his account in the depository named hereinafter.

Notwithstanding any provisions herein contained to the contrary, this lease shall cover only oil, gas, gas derivations, helium, liquid hydrocarbons and sulphur and does not cover coal, iron ore, or any other minerals in, on, or under said lands.

It is the intention of Lessor and Lessee that this lease shall also 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 said section or sections, grant or grants, or in adjacent sections or grants, although not included with the boundaries of the land particularly described above.

of the land particularly described above. For the purpose of determining the amount of any money payment hereunder, the lands herein shall be treated as comprising _____ 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 acres stated in such assignment or surrender.

2. Subject to the other provisions herein contained, this lease shall be for a term of ~~20~~ years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said well and such production continues.

or lands with which said land is pooled heretunder.

5. The royalties to be paid by Lessor 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 pipeline to which the wells may be connected; Lessor 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; in either case such interest to bear its proportion of any expense of treating unmarketable oil to render it merchantable as crude; (b) on gas, one-eighth (1/8) of the market value at the well of the gas used by Lessor in operations not connected with the land leased or any pooled unit containing all or a part of said land; the royalty on gas sold by Lessee to be one-eighth (1/8) of the amount realized at the well from such sales, less (c) one-eighth (1/8) of the market value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products, except that in computing such value, there shall be excluded all gas at one-eighth (1/8) of the market value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products, except that in computing such value, there shall be excluded all gas at one-tenth (1/10) either in kind or value at the well or mine, at Lessee's election, except that on sulphur components thereof used in lease or well operations, and (d) 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 components thereof used in lease or well operations, and (d) 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 components thereof used in lease or well operations, and (d) on all other minerals mined and marketed, the royalty shall be fifty cents (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 producing oil, gas or gaseous substances 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 commencing or resuming rental payments (herein sometimes referred to as shut-in gas payments) as hereinafter provided in paragraph 6. Should such conditions occur or exist at the end of or after the primary term, or within sixty (60) days prior to the expiration thereof, Lessee's rights may be extended beyond and after the primary term by the commencement, resumption or continuance of such payments at the rate and in the manner herein provided for rental payments during 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 considered as a fixed rental paying date, and if such payments are made, it will be considered that oil or gas or gaseous substance is being produced within the meaning of paragraph 2 hereto. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells, for all operations, heretunder, and royalty on oil, gas and oral shall be computed after deducting any so used.

wood and water from said land, except water from Lessor's wells, the oil operations hereinafter, and royalties on production from the land covered by this lease, and Lessor shall have the right to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereto, which in Lessor's judgment 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 land on which this lease is situated by any duly authorized authority, or when to do so would, in the judgment of Lessor, promote the conservation of the oil and gas in and under and that may be produced from said premises. Lessor shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of the acreage allotted to the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove oil gas etc. When prudent operator would drill under the same or similar circumstances.

9. The breach by Lessor 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 obligation should require the drilling of a well or wells, Lessee shall have ninety (90) days after the receipt of written notices by Lessor from Lessor specifically stating the breach alleged by Lessor within which to begin operating 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 on or producing oil or gas to be 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, Lessor shall reasonably develop the acreage retained 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.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessor does so, it 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 under the warranty in 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. Failure of Lessor to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided.

11. 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 scarcity 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, Lessor'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 while and so 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 not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. 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 may in any way affect the purpose for which this lease is made as recited herein, and agrees that the annual drilling deferral rental payments made to Lessor as herein provided will fully protect this lease as to the full interests of the undersigned.

13. 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 said 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. Lessor, for a period of fifteen days after receipt of the notice, shall have the prior 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. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Section. Should Lessor elect to purchase the lease pursuant to the terms hereof, a draft on 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 Lessor's shall promptly pay to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same along with the enclosed draft to Lessee's representative or through Lessee'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 TWENTY AND NO/100 - - Dollars (\$20.00) 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/or 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.

SO. SEC. NO.

Annie F. Shoop

(Annie F. Shoop)

Gary M. Shoop

(Gary M. Shoop)

Pamela Shoop

(Pamela Shoop)

David Shoop

(David Shoop)

Joyce Shoop

(Joyce Shoop)

BOOK STATE OF Alabama

COUNTY OF Shelby

I, the undersigned, A Notary Public in and for said County, in said State, hereby certify that Annie F. Shoop, a widow; Gary M. Shoop and wife, Pamela Shoop; David Shoop and wife, Joyce Shoop

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 24th day of March, A.D. 1982.

James A. Tucker
Notary Public in and for

State of Alabama at Large County

MY COMMISSION EXPIRES 6/18/85

EXHIBIT "A"

TOWNSHIP 18 SOUTH, RANGE 2 EAST

Section 5: All that part of the SE $\frac{1}{4}$ of SW $\frac{1}{4}$ lying North of County Road #55 and lying East of an unnamed County Road. Begin at the SW corner of N $\frac{1}{2}$ of SE $\frac{1}{4}$, thence run North 650 feet to a point; thence run Southeasterly 1555 feet, more or less, to the West line of County Road #55; thence run Southwesterly along said Road to the South line of said N $\frac{1}{2}$ of SE $\frac{1}{4}$; thence run East along said South line to the point of beginning.

All that part of the SW $\frac{1}{4}$ of SE $\frac{1}{4}$ lying North and West of County Road #55.

LESS AND EXCEPT: Begin at the intersection of North line of County Road #55 and the East line of an unnamed County Road; thence run North along East line of unnamed County Road 210 feet to a point; thence East 210 feet; thence South 210 feet to a point on County Road #55; thence West 210 feet to the point of beginning.

LESS AND EXCEPT: Begin at a point on the North line of County Road #55 90 feet Northeast of the West line of SE $\frac{1}{4}$; thence Northeast 210 feet; thence Northwesterly 210 feet; thence Southwesterly 210 feet to the North line of County Road #55; thence Southeasterly 210 feet to the point of beginning.

LESS AND EXCEPT: Begin 50 feet Southwesterly of intersection of NW $\frac{1}{4}$ of SE $\frac{1}{4}$ and the West line of County Road #55; thence run in a Westerly direction 420 feet to a point; thence Southwesterly 105 feet to a point; thence Northwesterly 378 feet to a point; thence Southeasterly 815 feet to a point; thence run Southwesterly 210 feet, more or less, to the point of beginning.

LESS AND EXCEPT: Begin on NW line of County Road #55 595 feet Southwesterly of North line of S $\frac{1}{2}$ of SE $\frac{1}{4}$; thence run Southwesterly 315 feet to a point; thence run Northwesterly 110 feet to a point; thence run Northeasterly 225 feet to a point; thence Southeasterly 175 feet, more or less, to the point of beginning.

LESS AND EXCEPT: Begin 50 feet Northeasterly of intersection of the North line of County Road #55 and the East line of SE $\frac{1}{4}$ of SW $\frac{1}{4}$; thence run Northwesterly 210 feet to a point; thence Northeasterly 210 feet to a point; thence Southeasterly 210 feet to a point; thence Southwesterly 210 feet to the point of beginning.

Annie F. Shoop
(ANNIE F. SHOOP)

STATE OF ILLINOIS
I CERTIFY THIS
NOTARIAL ACT WAS FILED

1982 APR 21 AM 8:24

Deed Tax - 100

Mineral Tax 165

Rec 1650

Ind 100

2015

Thomas A. Shoop, Jr.
JUDGE OF PROBATE