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Prepared By: Randy S. Jones
2315 5th Street North #4
Columbus, Ms. 39701

Producers 88 (9/70)—With Pooling Provision
Mississippi, Alabama, Florida

Hederman Brothers—Jackson, Mississippi
C-11-72

2151

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 4th day of June 19 81, between

Burgess Mining and Construction Corporation, An Alabama Corporation

lessor (whether one or more), whose address is: P.O.Box 26340, Birmingham, Alabama 35226

and Jack E. Klinger, P.O.Box 1797, Huntsville, Texas 77340, lessee, WITNESSETH:

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations ($10.00 & O.V.C.) Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Bibb and Shelby, State of Alabama, and is described as follows:

SEE EXHIBIT "A" AND EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

BOOK 339 PAGE 539

FILED IN PROBATE OFFICE
BIBB COUNTY, ALA.
Deed 24 5.00
'81 AUG 13 AM 11:01
GEORGE ALLEN DESMOND
JUDGE

Deed Book 113
Page 193

This lease also covers and includes, in addition to that above described, all land, if 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 1067 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 ~~XXXXXXXXX~~ Five (5) 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. A.E.

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 ~~XXXXXX~~ One-Sixth (1/6) 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 average posted 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 and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar ($1.00) per long ton. If, at 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 wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise 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 consecutive days, and during such time there are no operations on said land, then at 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 of the expiration of said ninety day period if upon such 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 release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each. A.E.

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 required, under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining 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 required 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 reversionary 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 shall, subject to the further provisions hereof, pay or tender to lessor or to lessor's credit in the Birmingham Trust National Bank at P.O. Box 2554, Birmingham, Alabama 35290 or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of $ 1,067.00, 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 nevertheless 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 releases of this lease as to any part or all of said land or of mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all minerals and horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

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.

7. Lessee shall have the use, free from royalty of water, other than from lessor'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 shall pay for damages caused by its operations to growing crops and timber on said land.

[redacted]

P. R[redacted]S
SOHI[redacted]TROLEUM COMPANY

[redacted]

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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, howsoever 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 rental payment by one shall not affect the rights of other leasehold owners hereunder.

9. In the event lessor considers that lessee has not complied with all its obligations 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 sixty (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. Neither 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 default. 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 constitute a drilling 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 as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. 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 land, 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 hereby 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 part 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, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein 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 lease is 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, (except financial) beyond the reasonable control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary date hereof 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.

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IN WITNESS WHEREOF, this instrument is executed on the date first above written.

ATTEST:

By: Thomas H. Terrell, Sec.

BURGESS MINING AND CONSTRUCTION CORPORATION

By A E Burgess (SEAL)
A. E. Burgess, its Chairman

SS # [redacted] (SEAL)

(SEAL)

JOINT OR SINGLE ACKNOWLEDGMENT
(MISSISSIPPI-ALABAMA FLORIDA)

STATE OF ALABAMA

COUNTY OF Shelby

I hereby certify, that on this day, before me, a Notary Public for the State At Large and duly authorized in the state ~~and county~~ aforesaid to take acknowledgments, personally appeared A. E. Burgess and Thomas H. Terrell who are known to me known to be the persons described in and who executed the foregoing instrument and That they acknowledged before me that, being informed of the contents of the same, they voluntarily signed and delivered the within and foregoing instrument on the day and year therein mentioned.

Given under my hand and official seal, this 4th day of June, A.D., 1981

(Affix Seal)

Max R Powell

(Title of Official)

My commission expires 4-7-85 in and for State At Large ~~County~~, Alabama

WITNESS ACKNOWLEDGMENT
(MISSISSIPPI-ALABAMA-FLORIDA)

STATE OF

COUNTY OF

I, a ______ in and for the aforesaid jurisdiction, hereby certify that ______

a subscribing witness to the foregoing instrument, known to me, appeared before me on this day, and being sworn, stated that ______ the grantor(s), having been informed of the contents thereof, voluntarily executed and delivered the same in his presence, and in the presence of the other subscribing witness, on the day the same bears date; that he attested the same in the presence of the grantor(s), and of the other witness, and that such other witness subscribed his name as a witness in his presence.

(Subscribing Witness)

Given under my hand and official seal, this ______ day of ______, 19__
(Affix Seal)

$53.35 Mineral Stamps Purchased & Cancelled

(Title of Official)

My commission expires ______ in and for ______ County, ______

Special Producers 88 (3-70) with Pooling Provision
Mississippi-Alabama-Florida

No. ______

Oil, Gas and Mineral Lease

FROM

TO

Dated ______, 19__

No. Acres ______

Term ______

______ County

This instrument was filed for record on the ______ day of ______, 19__, at ______ o'clock ______ and duly recorded in Book ______, Page ______ of the ______ record of this office.

County Clerk

By ______ Deputy

When recorded return to:

RETURN THIS DOCUMENT TO:
SOHIO PETROLEUM COMPANY
LAND ADMINISTRATION & RECORD
100 PINE STREET
~~SAN FRANCISCO, CA 94111~~

Hederman Brothers—Jackson, Mississippi

Attached to and by reference made a part of that certain Oil, Gas and Mineral Lease made and entered into by and between Burgess Mining and Construction Corporation, as Lessor and Jack E. Klinger, as Lessee, under date of June 4 ,1981.

THE FOLLOWING LAND LYING AND BEING IN SHELBY COUNTY, ALABAMA:

Section 24, Township 21 South, Range 5 West:

The NW¼ of the NW¼.

Section 11, Township 21 South, Range 5 West:

The NE¼ of the NE¼ and the NE¼ of the SE¼ of the NE¼.

Section 12, Township 21 South, Range 5 West:

The N½ of the NW¼

Section 13, Township 21 South, Range 5 West:

The W½ of the NW¼; the E½ of the SW¼ and the NW¼ of the SE¼.

Section 14, Township 21 South, Range 5 West:

The E½ of the NE¼.

THE FOLLOWING LANDS LYING AND BEING IN BIBB COUNTY, ALABAMA:

Section 10, Township 21 South, Range 5 West:

The E½ of the SW¼ of the SE¼ and the SE¼ of the SE¼.

Section 11, Township 21 South, Range 5 West:

The south 25 acres of the SW¼ of the NW¼; the W½ of the SW¼; that part of the E½ of the SW¼ lying south of Shades Creek flowing east except 3 acres in a square around Shady Grove Church; and the west 15 acres of the SW¼ of the SE¼.

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Section 14, Township 21 South, Range 5 West:

The NW¼ of the NW¼.

Section 15, Township 21 South, Range 5 West:

The NW¼ of the NE¼.

Section 1, Township 22 South, Range 6 West:

The NE¼ of the NE¼ and the SW¼ of the NE¼

Section 26, Township 21 South, Range 5 West:

The SE¼ of the NW¼; SW¼ of the NE¼; NW¼ of SE¼.

Section 34, Township 21 South, Range 5 West:

The NE¼ of the NW¼; SW¼ of the NE¼.

EXECUTED as of date first above written.

BURGESS MINING AND CONSTRUCTION CORPORATION

By: A. E. Burgess

A. E. Burgess, it's Chairman

010-547

EXHIBIT "B"

Attached to and be reference made a part of that certain Oil, Gas and Mineral Lease made and entered into by and between Burgess Mining and Construction Corporation, as Lessor and Jack E. Klinger, as Lessee, under date of **June 4**, 1981.

12. Notwithstanding anything hereinabove to the contrary, it is understood and agreed that this lease covers only Oil, Gas, Sulphur and associated hydrocarbons. Lessee is expressly prohibited from utilizing strip mining or open pit mining methods or mine shafts, in the conduct of operations hereunder and there are excepted and excluded from this lease coal, rock asphalt, uranium, and other minerals which may be mined by the use of strip mining or open pit mining methods or by the use of mine shafts, provided, however, that this lease shall cover and include any asphalt or heavy oil which may be produced from well bores.

13. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops or livestock by reason of operations thereon, and shall pay for any damage to roads, culverts, bridges, and fences or other improvements on Lessor's land resulting from their use by Lessee in connection with geophysical exploration thereof, or other minerals development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, Lessee, its successors or assigns, shall level all levees around slush pits and other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operations, even though Lessor maintains gates that could be used.

14. It is understood and agreed that Lessee, is hereby given the option to be exercised prior to the date on which this lease or any portion thereof would expire in accordance with its terms and provision of extending this lease for a period of five (5) years as to all or any portion of the acreage then held hereunder which would expire unless so extended, the only action required by Lessee to exercise this option being the payment to Lessor (or for Lessor's credit to the depository bank named herein) of the additional sum of $20.00 per acre for each acre so extended, which payment shall cover the first year of the extended term. No rental payment shall be due on the acreage so extended during the period following such payment and ending on the following anniversary date of the lease but annual rentals shall be due on or before such following anniversary date and succeeding anniversary dates thereafter. If this lease is extended as to only a portion of the acreage then covered hereby, Lessee shall designate such portion by a recordable instrument.

15. It is understood and agreed by Lessee, the land hereinabove described is the only land that this lease covers.

EXECUTED as of date first written.

Burgess Mining and Construction Corporation

By A. E. Burgess
It's Chairman

Deed 6.00
Mineral 53.35
Rec. 20.00
Ind. 1.00
80.35

010-349