

900

MEMORANDUM AND AFFIDAVIT
REGARDING OIL AND GAS LEASE

This Memorandum and Affidavit, dated as of 2/9, 1982, is made and offered for record pursuant to Section 35-4-69 of the Alabama Code (1973) as well as pursuant to the general recordation statutes of Alabama which may be applicable to memorandum filings, to give notice of the contents of that certain unrecorded oil and gas lease dated December 15, 1980, between KIMBERLY-CLARK CORPORATION, a Delaware corporation, lessor (herein called "Lessor"), Neenah, Wisconsin 54956, and THE ANSCHUTZ CORPORATION, a Kansas corporation, lessee (hereinafter called "Lessee"), 2400 Anaconda Tower, Denver, Colorado 80202, concerning the property described in Exhibit A attached hereto and made a part hereof. Said oil and gas lease is hereinafter referred to as the "Lease."

Notice is hereby given that Lessor and Lessee have executed the Lease. Pursuant to the terms of the Lease, Lessor has leased to Lessee the lands situated in the State of Alabama described in Exhibit A hereto, and Lessee has leased the same from Lessor, for the limited purposes of exploring for, drilling for and producing oil, natural gas, casinghead gas, casinghead gasoline, distillate and other like hydrocarbons (collectively "hydrocarbons"), and sulphur if produced in conjunction therewith, establishing and utilizing facilities for disposal of salt water produced from the lands covered by the Lease, laying pipelines, building roads, telephone lines and other structures and facilities necessary to produce, save, treat and transport said hydrocarbons and sulphur. Such Lease further authorizes Lessee to cross any adjacent or contiguous lands of Lessor by use of existing roads in order to have ingress and egress to and from the land covered by the Lease to carry out such aforesaid purposes. Such Lease provides that Lessor excepts, reserves and excludes from the Lease all other minerals or ores of any nature or kind, including, but not limited to sand, gravel, limestone, coal, coal seam gas, iron ore and uranium, together with the right of ingress and egress and all other rights and easements necessary for the purpose of exploring for, producing, mining, preparing, treating, transporting, marketing and removing such excluded minerals.

Subject to the other provisions of the Lease, the term of the Lease is for eight (8) years from December 15, 1980 and as long thereafter as hydrocarbons, or sulphur produced in conjunction therewith, are produced in paying quantities from the lands covered by the Lease, provided that the commencement of certain operations or activities on the lands covered by the Lease, or on lands pooled or unitized with lands covered by the Lease, may extend the term of the Lease. The Lease also includes customary delay rental provisions, provisions requiring the timely commencement of certain drilling operations to extend the term of the Lease with respect to undeveloped acreage, and provisions requiring the reversion of non-producing deep rights to Lessor.

Pursuant to the terms of the Lease, Lessor is granted certain preferential purchase rights with respect to oil and gas and other hydrocarbons produced from wells completed on the lands covered by the Lease, or on lands pooled or unitized therewith.

AL-4806-VI

BOOK 45 PAGE 309

See Release 7 Dec. 82 5/1/94 7:00 PM - (7-800-83)

The Lease provides that the rights of Lessor thereunder may be assigned in whole or in part as to the subject lands or any mineral or subsurface interval or any depth thereunder and the provisions hereof shall extend to the Lessor's successors and assigns. The Lease further provides that Lessee shall not assign the Lease in whole or in part without the prior express written consent of Lessor, which consent will not be unreasonably withheld, and if such written consent is given, no subsequent assignments shall be made without the prior express written consent of Lessor. In the event Lessor shall consent to an assignment by Lessee of all or part of the interests covered by the Lease, the Lease provides that it is understood and agreed that Lessee nevertheless shall remain, as between the parties, primarily liable for all of the obligations, duties and liabilities of Lessee under the Lease.

The Lease provides that it is made by Lessor without warranties or representations of any kind, expressed or implied.

The Lease is subject to the terms and provisions of that certain unrecorded Agreement dated December 15, 1980, by and between Lessor and Lessee. Such agreement is hereafter referred to as the "Agreement." In addition to the other terms and provisions thereof, the Agreement expressly provides for the periodic mandatory release by Lessee, of a stipulated percentage of certain lands of Lessor (which lands are therein fully described) that are leased to Lessee for the purpose of exploring for, and producing, hydrocarbons and sulphur produced in conjunction therewith, which lands include, among other lands, the lands described in Exhibit A hereto.

Copies of the Lease and the said Agreement are maintained in the above offices of Lessee and Lessor, and will be made available to anyone having a legitimate reason for access thereto.

This Memorandum and Affidavit is executed solely to give notice of the Lease. Nothing contained herein shall in any way alter, amend or otherwise affect the rights and obligations of Lessor or Lessee as set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this instrument effective the day and year first above written.

ATTEST:

KIMBERLY-CLARK CORPORATION

Howard S. Ellington By

[Signature]

President, Coosa River Newsprint
Title Pulp & Forest Products Company

ATTEST:

THE ANSCHUTZ CORPORATION

[Signature] S. Olinster By

[Signature] Lillian J. Lentz

Title ASST. VICE PRESIDENT

THIS INSTRUMENT WAS PREPARED BY:

The Anschutz Corporation
2400 Anaconda Tower
555 - 17th Street
Denver, Colorado 80202
Attention: Miles A. Williams

STATE OF ALABAMA §
COUNTY OF Talladega §

I, Linda S. Hardy, a notary public in
and for said county in said state, hereby certify that
S. B. Pinkerton, President, Coosa River Newsprint, Pulp
~~XXXXXX & Forest Products Company~~ of Kimberly-Clark
Corporation, a corporation, is signed to the foregoing
instrument, and who is known to me, acknowledged before me
on this day that, being informed of the contents of the
instrument, he, as such officer and with full authority,
executed the same voluntarily for and as the act of said
corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day
of April, 1982.

Linda S. Hardy
Notary Public in and for
Talladega County, Alabama

NOTARY
My Commission Expires:
September, 1983

STATE OF Colorado §
COUNTY OF Denver §

I, Mary Diane Fonseca, a notary public in
and for said county in said state, hereby certify that
LILLIAN F. LENTZ
whose name as Assistant Vice President of The Anschutz
Corporation, a corporation, is signed to the foregoing
instrument, and who is known to me, acknowledged before me
on this day that, being informed of the contents of the
instrument, he, as such officer and with full authority,
executed the same voluntarily for and as the act of said
corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 9th day
of February, 1982.

Mary Diane Fonseca
Notary Public in and for
Denver County, Colorado

My Commission Expires:
3-16-85

SHELBY

TOWNSHIP-RANGE SECTION		DESCRIPTION		MINERAL ACRES	
<u>T21S-R4W</u>					
3	FEE LESS COAL	SE $\frac{1}{4}$.	320.00	360.00	
3	MINERALS ONLY	NE $\frac{1}{4}$ of NW $\frac{1}{4}$.	40.00		
6	FEE LESS COAL	SW $\frac{1}{4}$ of SW $\frac{1}{4}$.		40.00	
7	FEE LESS COAL	N $\frac{1}{2}$ of NW $\frac{1}{4}$.		80.00	
8	FEE LESS COAL	SE $\frac{1}{4}$ of NE $\frac{1}{4}$ and N $\frac{1}{2}$ of SE $\frac{1}{4}$.		160.00	
<u>T21S-R5W</u>					
1	FEE LESS COAL	SE $\frac{1}{4}$ of SE $\frac{1}{4}$.		40.00	
2	FEE LESS COAL	NE $\frac{1}{4}$ of NE $\frac{1}{4}$.		40.00	
12	FEE LESS COAL	N $\frac{1}{2}$ of NE $\frac{1}{4}$ less NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$.		70.00	
24	FEE LESS COAL	N $\frac{1}{2}$ of SW $\frac{1}{4}$.		80.00	

SHELBY

TOWNSHIP-RANGE

SECTION

T21S-R1W

23

FEE

DESCRIPTIONMINERAL ACRES

30.80

Part of the SE $\frac{1}{4}$, more particularly described as follows: Begin at SW corner of the NW $\frac{1}{4}$ of SE $\frac{1}{4}$; thence North along the West line of said NW $\frac{1}{4}$ of SE $\frac{1}{4}$, 225.0 feet; thence right 97 $^{\circ}$ -00' 158.0 feet; thence left 93 $^{\circ}$ -05' 278.12 feet; thence 96 $^{\circ}$ -55' left 176.0 feet to the West line of said $\frac{1}{4}$ - $\frac{1}{4}$ section; thence 93 $^{\circ}$ -00' right and North along the West line of said $\frac{1}{4}$ - $\frac{1}{4}$ section 834.1 feet to the Northwest corner of said NW $\frac{1}{4}$ of SE $\frac{1}{4}$; thence 89 $^{\circ}$ -11'-05" right and East along the North line of said $\frac{1}{4}$ - $\frac{1}{4}$, 449.26 feet; thence 81 $^{\circ}$ -11' right 277.58 feet; thence 20 $^{\circ}$ -03' left 233.02 feet; thence 30 $^{\circ}$ -00' right 119.52 feet; thence 79 $^{\circ}$ -15' left 350.26 feet; thence 99 $^{\circ}$ -02' left 93.0 feet; thence 93 $^{\circ}$ -15' right 202.3 feet; thence 66 $^{\circ}$ -17' right 103.0 feet; thence 20 $^{\circ}$ -45' left 208.49 feet; thence 4 $^{\circ}$ -30' right 213.1 feet to the North right-of-way line of the Southern Railroad; thence 84 $^{\circ}$ -31' right and along said right-of-way a distance of 1,389.76 feet to a point, thence 85 $^{\circ}$ -19' right 613.79 feet to the point of beginning.

And commence at the Northwest corner of the NW $\frac{1}{4}$ of SE $\frac{1}{4}$; thence run East along the North line of said $\frac{1}{4}$ - $\frac{1}{4}$ section a distance of 449.26 feet; thence turn an angle of 81 $^{\circ}$ -11' to the right and run a distance of 277.58 feet; thence turn an angle of 20 $^{\circ}$ -30' left and run a distance of 233.02 feet; thence turn an angle of 30 $^{\circ}$ -00' to the right and run a distance of 119.52 feet; thence turn an angle of 79 $^{\circ}$ -15' left and run a distance of 350.26 feet; thence turn an angle of 99 $^{\circ}$ -02' left and run a distance of 93.00 feet; thence turn an angle of 93 $^{\circ}$ -15' right 202.30 feet; thence 66 $^{\circ}$ -17' right 103.00 feet; thence 20 $^{\circ}$ -45' left 208.49 feet; thence 4 $^{\circ}$ -30' right 313.10 feet; thence 95 $^{\circ}$ -25' left 298.08 feet to the point of beginning; and a point on the South right-of-way line of the Southern Railroad; thence 136 $^{\circ}$ -41' right 519.93 feet; thence 88 $^{\circ}$ -47' right 157.79 feet; thence 91 $^{\circ}$ -30' left 104.49 feet to the North right-of-way line of the Columbia By-Pass (Alabama Highway No. 25); thence 68 $^{\circ}$ -37' right and run along said Highway right-of-way 15.06 feet to the P. C. of a curve; thence continue along said right-of-way line through a curve whose delta angle is 150 $^{\circ}$ -56' left, tangent distance is 443.73 feet, radius is 3,170.63 feet, length of arc is 883.56 feet; thence 30 $^{\circ}$ -13' right from a tangent of said curve

31C 3AGE 5f X008

EXHIBIT A

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DESCRIPTION

MINERAL ACRES

23

149.33 feet; thence 93°-08' right 199.40 feet to the South right-of-way line of the Southern Railroad; thence 65°-02' right and run along said right-of-way line 247.55 feet to the P. C. of a curve; thence continue along said right-of-way through a curve whose delta angle is 15°-02' left, tangent distance is 396.33 feet, radius is 3,003.64 feet, length of arc is 788.10 feet to the P. T. of said curve; thence continue along said right-of-way 409.78 feet to the point of beginning, situated in the SE $\frac{1}{4}$ of Section 23. Less and except lots 17 and 18, of the Nichols addition to Columbiana, Alabama.

Less and except the following described tract of land: Commence at the Northwest corner of the SW $\frac{1}{4}$ of SE $\frac{1}{4}$; thence run South 38°-49'-45" East along the old George Vasser lot a distance of 591.20 feet to the South margin of a gravel road and a point of beginning; thence continue in the same direction a distance of 22.59 feet to a point on the Northwest right-of-way of the Southern Railroad; thence turn an angle of 85°-06' to the left and run along the said Railroad right-of-way a distance of 503.08 feet to the P.C. of a curve; thence run along said curve (whose delta angle is 7°-02'-52" to the left, radius 2935.75 feet; tangent is 180.78 feet; length of arc is 361.11 feet) to a point on the old line of Barnett lot; thence turn an angle of 63°-31'-08" to the left from said tangent and run along said old Barnett line a distance of 647.07 feet to a point on the South line of a gravel road; thence turn an angle 83°-28'-59" to the left and run along said road a distance of 104.20 feet; thence turn an angle of 23°-02'-01" to the left and continue along said road a distance of 181.34 feet; thence turn an angle of 25°-30' to the left and continue along said road a distance of 135.08 feet; thence turn an angle of 17°-55' to the left and continue along said road a distance of 343.39 feet; thence turn an angle of 2°-39' to the right and run along said road a distance of 302.35 feet; thence turn an angle of 14°-20' to the left and continue along said road a distance of 188.19 feet; thence turn an angle of 11°-57' to the right and run a distance of 86.11 feet to the point of beginning and containing 9.83 acres, more or less.

NE $\frac{1}{4}$ of SW $\frac{1}{4}$.

80.00

31

FEE

33

FEE

S $\frac{1}{4}$ of SW $\frac{1}{4}$, W $\frac{1}{2}$ of NE $\frac{1}{4}$ and all E $\frac{1}{2}$ of NE $\frac{1}{4}$ lying West of Waxahatchie Creek, E $\frac{1}{4}$ of SW $\frac{1}{4}$, all that part of SW $\frac{1}{4}$ of SW $\frac{1}{4}$ lying North of the right-of-way of the Columbiana - Calera Highway, except the Summer Hill Church lot which is described as follows: Commencing at the SW corner of Section 33;

267.00

317.00

TOWNSHIP-RANGE

SECTION

EXHIBIT A

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DESCRIPTION

MINERAL ACRES

T21S-R1W

33

thence run in an Easterly direction along the South boundary of said section 881 feet; thence turn an angle of 90° to the left and run 85 feet to a point on the South side of State Highway No. 25 for a point of beginning of said Church Lot; from said point of beginning, continue thence North in the same direction 340 feet; thence turn an angle of 90° to the right and run 293.5 feet; thence run in a Southerly direction at right angles to the South boundary of said section to the South side of said highway; thence run along the South side of said highway to point of beginning.

33

FEE LESS 1/4 MIN.

30.00

NW 1/4 of SE 1/4 and all that part of NE 1/4 of SE 1/4 lying North of the old Columbiana and Shelby Springs road, and part of E 1/4 of SE 1/4 described as follows: Beginning at a point where the new Calera - Montevallo road, State Highway No. 25 crosses the Waxahatchie Creek; thence running along the Northern boundary line of said road westerly a distance of 1200 feet; thence at right angles to said road run Northward to the center of the old Calera - Montevallo road, being an approximate distance of 172 feet; thence Eastward along the center line of said old road to said Creek; thence southward along the meandering of said Creek to the point of beginning.

T21S-R1E

7

FEE

SE diagonal half of NE 1/4 of SE 1/4 and SE 1/4 of SE 1/4.

60.00

8

FEE

W 1/2 of SW 1/4, SE 1/4 of SW 1/4 and West 10 acres of NE 1/4 of SW 1/4.

130.00

18

FEE

E 1/2 of NE 1/4 and W 1/2 of SE 1/4.

160.00

T22S-R1W

2

FEE

SE 1/4 of NW 1/4.

40.00

4

FEE

NE 1/4 of NW 1/4, NW 1/4 of SW 1/4 and a lot in SW 1/4 of NW 1/4 described as follows: Commencing on the South line of said SW 1/4 of NW 1/4 at a point 30 feet West of the SE corner of said forty and run North 105 feet; run thence West 420 feet; thence South 105 feet to the South line of said SW 1/4 of NW 1/4; thence East to point of beginning.

81.00

5

FEE

Commencing at the SE corner of NE 1/4 of section, which is designated as

88.00

TOWNSHIP-RANGE
SECTION

DESCRIPTION

MINERAL ACRES

T22S-R1W

5

Lock and Key corner; run thence North 3°-East 30 chains; thence turn an angle of 90° to the left and run 26.82 chains; thence turn an angle of 90° to the left and run 5.90 chains; thence turn an angle of 90° to the right and run 3.18 chains; thence turn an angle of 90° to the left and run South 3° West 24.10 chains to the East and West median line of said section; thence turn an angle of 90° to the left and run along the said median line 30 chains to point of beginning, containing 88 acres, more or less.

16

FEE

NW¼.

160.00

17

FEE

S½ of NE¼, W½ of SE¼, that part of the E½ of SW¼ lying South of the right-of-way of the L & N Railroad as the same passes through said E½ of SW¼, and the SW¼ of SW¼ except one acre belonging to Missionary Baptist Church (Hopewell Church) as shown by deed recorded in Deed Book 13 page 45 in the Probate Office of Shelby County, Alabama.

230.00

18

FEE

S½ of SE¼.

80.00

20

FEE

NW¼ of NE¼.

40.00

T22S-R1E

10

FEE

NW¼ of NE¼.

40.00

T24N-R13E

12

FEE

E½ of NW¼ less and except 3.45 acres condemned by the State Highway Department, November 5, 1958, for road right-of-way and the N½ of SE¼.

156.55

T24N-R14E

4

FEE

SE¼ of SW¼ and S½ of SE¼.

120.00

7

FEE

NE¼ of SW¼ and NW¼ of SE¼.

80.00

T24N-R15E

18

FEE

SW¼, W½ of SE¼, SE¼ of SE¼, SE¼ of NW¼, lying East of Waxahatchee Creek

283.70

EXHIBIT A

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TOWNSHIP-RANGE
SECTION

T24N-R15E

DESCRIPTION

MINERAL ACRES

18

and being above that certain Datum Plane of 397 feet above mean sea level as established by the United States Coast and Geodetic Survey as adjusted in January 1955.

19

FEE

N $\frac{1}{4}$ of NW $\frac{1}{4}$ lying North and East of Waxahatchie Creek and being above that certain Datum Plane of 397 feet above mean sea level as established by the United States Coast and Geodetic Survey as adjusted in January, 1955.

10.80

TOTAL NET MINERAL ACRES

3,057.85

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

1982 MAY 27 AM 9:52

Thomas A. Swanson, Jr.
JUDGE OF PROBATE

Dec 13.50
Ind 1.00
14.50

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
2400 ANACONDA TOWER
DENVER, COLORADO 80202

#7080