

Producer's 88 - Alabama 8-1-81

RETURN TO

		l l	AND GAS LEASE	ARCO EXPLORATION CUMPANT
THIS ACRES	MENT made as of the	26 day of August		LEASE PURCHASE UNIT
		r. and his wife. El	wa R Steadham	TO HOLD TO THE ROLL OF THE PARTY OF THE PART
John M.	Steadnam, 5	C. and mare, by	va D. OLCAUIIAII	·
		, <u>, , , , , , , , , , , , , , , , , , </u>		<u></u>
of P. O. E	30x 53	Gainesville, Fl	orida 32601	· · · · · · · · · · · · · · · · · · ·
semin collect I ees	or (whether one or more).	ATLANTIC RICHFI	ELD COMPANY, A P	ENNSYLVANIA CORPORATION
		11	75221	
P. O. Porein called Less	ee:	Dallas, revas		
	•	``````````````````````````````````````	WITNESSETH:	
and agreements of prospecting, drilling belium and any of to, natural flow, a storing oil, and but	If the Lessee, herein proving and operating for and her gas, whether combust cidizing, fracturing, comultiding tanks, ponds, power	vided, hereby grants, leases and lets of producing oil, gases (including withoutlible or not), liquid hydrocarbons and a bustion, steam soak, steam flood, water	exclusively unto Lessee, for purpout limitation casinghead gas, casing sociated products, whether in gaser flood, oil flood, and for injections lines, and other structures upone lines, and other structures upone	and sufficiency of which is hereby acknowledged, and of the royalticoses of investigating, exploring by geophyiscal and other method inghead gasoline, gas condensate (distillate), hydrogen sulphide gaseous, solid or liquid state, by any method, including, but not limite on of any substance; laying, constructing and maintaining pipeline on said land to produce, save, treat, process and transport any produce.
	Shelby	COSCIIDOU INDU (MODULI DOSSION DO 100	Alabama	Ann analka
ituated in	Director	County, State of	Alabama	, to-wit:
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	•	•	•	•
•		•		•
		•		
3. As royalty and saved by less	, lessee covenants and agree from said land, or from	rees: (a) To deliver to the credit of less time to time, at the option of lessee, to hear one-eighth of the	or, in the pipe line to which lesse pay lessor the market price of sue cost of treating oil to render it m	cessation for more than ninety (90) consecutive days.  e may connect its wells, the equal one-eighth part of all oil product  ch one-eighth part of such oil at the wells as of the day it is run to the  arketable pipe line oil; (b) To pay Lessor on gas, including casinghe
get or other gese	ous substances, produced	from said land and sold or used off th	he premises for the extraction of	gasoline or other product therefrom, one-eighth of the market value
annoused at the	mouth of the wall of the a	rae en enla na mead, manuidad inat an 029	s sold by Lessee the market value :	shall not exceed the cash proceeds received by the Lessee for such a realized by Lessee from such sale. If, at the expiration of the prima
term or at any tid	me or times thereafter, th	iere is any well on said land or on land	is with which said land or any po	rtion thereof has been pooled, capable of producing gas or any otherations were being conducted on said land for so long as said wells a
shut-in, and ther	eafter this lease may be o	continued in force as if no shut-in had	occurred. Lessee covenants and	agrees to use reasonable diligence to produce, utilize, or market t
minerals capable lease facilities of	of being produced from s flow lines, separator, and	aid wells, but in the exercise of such dil lease tank, and shall not be required (	ligence, lessee shall not be obligat to settle labor trouble or to marke	ted to install or furnish facilities other than well facilities and ordinate gas upon terms unacceptable to lessee. If, at any time or times af
the expiration of	the primary term, all suc	ch wells are shut-in for a period of nin	ety consecutive days, and during	such time there are no operations on said land, then at or before to the amount of annual delay rental provided for in this lease. Less
shall make like p	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 for
which would be	paid under this lease if the	e wells were producing, and may be de	eposited in a depository bank prov	who at the time of payment would be entitled to receive the royalt wided for below. Nothing herein shall impair lessee's right to release
provided in para	graph 5 hereof. In event	of assignment of this lease and in who	le or in part, liability for payment stance upon which royalty is pay	t hereunder shall rest exclusively on the then owner or owners of table hereunder is regulated by any law or governmental agency,
market value or	market price of such mine	eral or substance for the purpose of cor	mputing royalty hereunder shall n	not be in excess of the price which Lessee may receive and retain.
				ease as to any or horizons thereunder, with other lands, lease or leaso surface acres plus 10% acreage tolerance; provided, however, a u
may be establish	ed or an existing unit may	be enlarged to contain not more than	640 acres plus 10% acreage tolera	nce, if unitized only as to gas or only as to gas and liquid hydrocarb ny governmental rule or order for the drilling or operation of a wel
ı regular locatio	n, or for the obtaining of	a maximum allowable, from any well t	to be drilled, drilling, or already d	rilled, any such unit may be established or enlarged to conform to
			_	ed unit by executing an instrument identifying such unit and filing it se to time, and whether before or after production has been establis
				such unit may include any well to be drilled, being drilled or alreve may be land or mineral, royalty or leasehold interests in land wit
the unit which a	re not pooled or unitized	. Any operations conducted on any pa	rt of such unitized land shall be c	considered, for all purposes, except the payment of royalty, operati
conducted under the unit, after de	r this lease. There shall be educting any used in lease	allocated to the land covered by this I or unit operations, which the number	lease included in any such unit that of surface acres in the land covere	at proportion of the total production of unitized minerals from welled by this lease included in the unit bears to the total number of surf
acres in the unit	t. The production so allo	cated shall be considered for all purp	oses, including the payment or d	elivery of royalty, overriding royalty, and any other payments ou
land under the to	erms of this lease. The ow	mer of the reversionary estate of any te	erm royalty or mineral estate agre	cluded in such unit in the same manner as though produced from sees that the accrual of royalties pursuant to this paragraph or of shu
royalties from a	well on the unit shall sati	sfy any limitation of term requiring pr	oduction of oil or gas. The format	tion of such unit shall not have the effect of changing the ownership ir the right of lessee to release from this lease all or any portion of s
land, except tha	t lessee may not so releas	e as to lands within a unit while there	are operations thereon for unitize	ed minerals unless all pooled leases are released as to lands within
being conducted	d thereon for unitized mir	nerals. Subject to the provisions of this	paragraph 4, a unit once establish	s recorded a declaration to that effect, if at that time no operations ned hereunder shall remain in force so long as any lease subject the
_		tablished, modified or dissolved during		

Gainesville, Florida 32602 or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of 692.40-\_\_\_\_\_, 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 he reduced in the

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,

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subject to the further provisions hereof, pay or tender to lessor or to lessor's credit in the ...

proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

This instrument was prepared by Stephen E. Hasha

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6. If at any time 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, 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.

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 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, successor, 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 as 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.

130. Losser hereby warrants and agrees to defend title to said land against the chaims of all-persons whomsoover. Laccor's rights and interests hereunder shall be charged primarily with any mortgages, tauco or other liens, or interest and other charges on said land, but lessor agrees that lessor shall have the right at any time to pay or weduce same for lessor, either before a ratter materity; and be subrogated to the rights of the holder thereof and to deduct amounts so paid from revalties or other payments payable or which may become payable to lessor and/or assigns under this lesse. 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. Lessor agrees that during the primary term of this lease it will not grant a top lease to any third party without first giving Lessee the right to acquire such top lease on the same terms, conditions and for the same consideration being afforded by the third party.

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 the reafter by operations as if such delay had not occurred. SEE EXHIBIT "B" FOR FURTHER PROVISIONS OF THIS LEASE. 14/11/5/195 IN WITNESS WHEREOF, this instrument is executed on the date first above written. PAGE 455 M. Stéadham, Sr. North Carolina **> SS**, Macon COUNTY OF. ACKNOWLEDGMENT Cherul I Donix \_\_\_\_\_, a Notary Public in and for said County and State, hereby John M. Steadham, Sr. and his wife, Elva B. Steadham whose pame 8 are signed to the foregoing instrument, and whose names are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, \_\_\_\_\_ they executed the same voluntarily on the day the same bears date. STATE OF ALABAMA COUNTY OF\_\_\_ CORPORATE ACKNOWLEDGMENT , a Notary Public in and for said County and State, hereby certify that \_\_\_\_\_ \_whose name as \_\_\_\_ \_\_\_, a corporation, is signed to the foregoing oil and gas lease, and who is known to me, acknowledged before me on this day that, being informed of the contents of said oil and gas lease, 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 official seal this \_\_\_\_\_\_ day of \_\_\_\_\_\_, A.D. 19 \_\_\_\_\_\_, **Notary Public** My Commission expires: \_\_\_\_\_

Address P. O. Box 35290, Houston, Texas 75221

Attached to and by reference made a part of that certain Oil and Gas Lease made and entered into by and between John M. Steadham, Sr. and his wife, Elva B.

Steadham

, as Lessor, and ATLANTIC RICHFIELD COMPANY,

A PENNSYLVANIA CORPORATION, as Lessee, under date of August 26, 1982, to-wi

Being 692.40 acres, more or less, and described as Schedule "A", Schedule "B", and Schedule "C", Shelby County, Alabama, to-wit:

#### SCHEDULE "A"

Being 399.00 acres, more or less, and described in Eight (8) Tracts, situated in Township 24 North, Range 13 East; Township 22 South, Range 2 West; and Township 21 South, Range 2 West; Shelby County, Alabama:

TRACT (1) TOWNSHIP 24 NORTH, RANGE 13 EAST, SECTION 2:
The NW\SW\square.

and being the same lands described in Two (2) Deeds, to-wit:

- DEED (1) From Willie L. Chambless and her husband, C. O. Chambless, and J. O. Anderson and his wife, Mary E. Anderson to E. G. Ellison and wife, Carolyn Ellison, dated April 26, 1946, and recorded in Deed Book 126, Page 84, containing 40.00 acres, more or less.
- DEED (2) From J. O. Anderson and his wife, Mary E. Anderson to C. O. Chambless, dated June 3, 1954, and recorded in Deed Book 167, Page 250, and also described in Correction Deed dated April 22, 1955, and recorded in Deed Book 172, Page 483.
- TRACT (2) TOWNSHIP 24 NORTH, RANGE 13 EAST, SECTION 10:
  The SW\2NE\2.

and being the same lands described in Two (2) Deeds, to-wit:

- DEED (1) From J. O. Anderson and wife, Mary E. Anderson, and Willie L. Chambless and husband, C. O. Chambless to Carl Ralph Jones, dated February 27, 1945, and recorded in Deed Book 121, Page 175, containing 120.00 acres, more or less.
- DEED (2) From J. O. Anderson and his wife, Mary E. Anderson to C. O. Chambless, dated June 3, 1954, and recorded in Deed Book 167, Page 250, and also described in Correction Deed dated April 22, 1955, and recorded in Deed Book 172, Page 483.

SAVE AND EXCEPT 80.00 acres, more or less, described in Deed dated June 3, 1954 from C. O. Chambless to J. O. Anderson, and recorded in Deed Book 167, Page 318.

TRACT (3) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 20:

A part of the SW\(\frac{1}{2}\)NW\(\frac{1}{2}\).

and being the same lands described in Two (2) Deeds, to-wit:

- DEED (1) From Willie L. Chambless and husband, C. O. Chambless, and J. O. Anderson and wife, Mary E. Anderson to Lee James Melton and Josie Melton, dated November 2, 1945, and recorded in Deed Book 123, Page 104, containing 5.00 acres, more or less.
- DEED (2) From J. O. Anderson and his wife, Mary E. Anderson to C. O. Chambless, dated June 3, 1954, and recorded in Deed Book 167, Page 250, and also described in Correction Deed dated April 22, 1955, and recorded in Deed Book 172, Page 483.
- TRACT (4) TOWNSHIP 21 SOUTH, RANGE 2 WEST, SECTION 27:

  The SEXSEX; the N\2SW\3SE\3; the SW\3SW\3SE\3; and the N\2SE\4.
- and being the same lands described in Two (2) Deeds, to-wit:
  - DEED (1) From Twin Oaks Land Company, a corporation to Gulf States Paper Corporation, dated March 22, 1938, and recorded in Deed Book 104, Page 374, containing 150.00 acres, more or less.

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# TRACT (5) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 2: The Exswane.

and being the same lands described in Deed dated November 25, 1936 from C. O. Chambless and his wife, Willie L. Chambless to Walter Williams, and recorded in Deed Book 100, Page 207, containing 20.00 acres, more or less.

# TRACT (6) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 2:

All that part of the ExSExNWx, lying South of the Shelby Springs and Elton dirt road.

and being the same lands described in Deed dated March 17, 1937 from C. O. Chambless and his wife, Willie L. Chambless to Lee Kennedy, and recorded in Deed Book 100, Page 515, containing 20.00 acres, more or less.

TRACT (7) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 10:
The Naswanwa.

and being the same lands described in Two (2) Deeds, to-wit:

- DEED (1) From Twin Oaks Land Company, a corporation to Kermit Todd, dated August 10, 1937, and recorded in Deed Book 109, Page 346, containing 20.00 acres, more or less.
- DEED (2) From J. O. Anderson and his wife, Mary E. Anderson to C. O. Chambless, dated June 3, 1954, and recorded in Deed Book 167, Page 250, and also described in Correction Deed dated April 22, 1955, and recorded in Deed Book 172, Page 483.

# TRACT (8) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTIONS 2 and 3:

Section 2: All that part of the Waswanwa, lying South of the Shelby Springs and Elton dirt road; all that part of the Wanwanwa, lying South of the Shelby Springs and Elton dirt road; also, two (2.00) acres, more or less, in the Wanwanwa, lying North of the Shelby Springs and Elton dirt road.

Section 3: The EXNE%.

and being the same lands described in Five (5) Deeds, to-wit:

- DEED (1) From C. O. Chambless and his wife, Willie L. Chambless to M. E. Smith and Cornelia J. Smith, dated March 23, 1937, and recorded in Deed Book 120, Page 451, containing 22.00 acres, more or less.
- DEED (2) From C. O. Chambless and his wife, Willie L. Chambless to Arther Miller, dated March 1, 1937, and recorded in Deed Book 100, Page 309, containing 20.00 acres, more or less.
- DEED (3) From C. O. Chambless and his wife, Willie L. Chambless to Frank Rice, dated March 16, 1937, and recorded in Deed Book 100, Page 435, containing 20.00 acres, more or less.
- DEED (4) From C. O. Chambless and his wife, Willie L. Chambless to Jacob Johnson, dated March 11, 1937, and recorded in Deed Book 100, Page 310, containing 22.00 acres, more or less.
- DEED (5) From C. O. Chambless and his wife, Willie L. Chambless to Howard Martin and Annie Martin, dated April 7, 1937, and recorded in Deed Book 100, Page 333, containing 20.00 acres, more or less.

SAID LANDS IN SCHEDULE "A" BEING ESTIMATED TO COMPRISE 399.00 ACRES, MORE OR LESS.

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# SCHEDULE "B"

Being 82.40 acres, more or less, and described as Three (3) Tracts, situated in Township 22 South, Range 2 West; and Township 21 South, Range 2 West; Shelby County, Alabama:

- TRACT (1) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTIONS 18 and 19:

  Section 18: A part of the EZSEZ.

  Section 19: A part of the NEZNEZ.
- and being the same lands described in Two (2) Deeds, to-wit:
  - DEED (1) From Willie L. Chambless and husband, C. O. Chambless, and J. O. Anderson and wife, Mary E. Anderson to Carrie Lee Skipper, dated September 21, 1948, and recorded in Deed Book 136, Page 136, and also described in Correction Deed dated August 1, 1949, and recorded in Deed Book 141, Page 19, containing 2.40 acres, more or less.
  - DEED (2) From J. O. Anderson and wife, Mary E. Anderson, and W. L. Chambless and her husband, C. O. Chambless to Loyd O. Robinson and Maud Robinson, dated August 1, 1949, and recorded in Deed Book 141, Page 20, containing 20.00 acres, more or less.
  - TRACT (2) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 2:

    That part of the Waneknwk, lying North of the road.

and being the same lands described in Deed dated July 6, 1957 from J. O. Anderson and wife, Mary E. Anderson and C. O. Chambless, an unmarried man to Edgar Garner, and recorded in Deed Book 189, Page 417, containing 20.00 acres, more or less.

TRACT (3) TOWNSHIP 21 SOUTH, RANGE 2 WEST, SECTION 27:
The SEXNW.

and being the same lands described in Deed dated September 8, 1953 from C. O. Chambless, a widower to J. O. Anderson and C. O. Chambless, executor of will of Willie L. Chambless, deceased, and recorded in Deed Book 178, Page 176, containing 120.00 acres, more or less.

SAVE AND EXCEPT:

- 1. 30.00 acres, more or less, and described in Deed dated October 27, 1953 to R. J. Maybry, and recorded in Deed Book 178, Page 175.
- 2. 50.00 acres, more or less, and described in Deed dated October 27, 1953 to R. J. Maybry, and recorded in Deed Book 163, Page 324.

SAID LANDS IN SCHEDULE "B" BEING ESTIMATED TO COMPRISE 82.40 ACRES, MORE OR LESS

#### SCHEDULE "C"

Being 211.00 acres, more or less, and described as Seven (7) Tracts, situated in Township 22 South, Range 2 West, Shelby County, Alabama:

TRACT (1) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 2:

The Waswanea; the Wanwanea; the Eaneanwa; and that part of the Easeanwa, lying North of the Shelby Springs and Elton dirt road.

and being the same lands described in Three (3) Deeds, to-wit:

- DEED (1) From Twin Oaks Land Company, a corporation to Ed Jenkins, dated April 17, 1937, and recorded in Deed Book 121, Page 576, containing 20.00 acres, more or less.
- DEED (2) From Twin Oaks Land Company, a corporation to Rosie Lee Mays, dated May 6, 1937, and recorded in Deed Book 102, Page 525, containing 21.00 acres, more or less.
- DEED (3) From Twin Oaks Land Company, a corporation to Fred Flanigan, dated April 30, 1937, and recorded in Deed Book 102, Page 501, containing 22.00 acres, more or less.

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TRACT (2) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 3:

That part of the ExExNWxNEx, lying North of Shelby Springs and Elyton dirt road.

and being the same lands described in Deed dated April 24, 1937 from Twin Oaks Land Company, a corporation to D. C. Curry, and recorded in Deed Book 102, Page 524, containing 10.00 acres, more or less.

TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 20: A part of the WaNWa.

and being the same lands described in Deed dated August 29, 1938 from Twin Oaks Land Company, a corporation to Sam Jackson, and recorded in Deed Book 105, Page 214, containing 20.00 acres, more or less.

TRACT (4) TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 20: A part of the WNW.

and being the same lands described in Deed dated December 16, 1937 from Twin Oaks Land Company, a corporation to Will Scott, and recorded in Deed Book 103, Page 517, containing 20.00 acres, more or less.

TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 18: A part of the ExEs.

and being the same lands described in Two (2) Deeds, to-wit:

- DEED (1) From Twin Oaks Land Company, a corporation to Raven Ethel Griffin, dated December 28, 1937, and recorded in Deed Book 112, Page 557, containing 20.00 acres, more or less.
- **DEED** (2) From Twin Oaks Land Company, a corporation to Willie Peels, dated April 22, 1941, and recorded in Deed Book 113, Page 570, containing 20.00 acres, more or less.
- TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 10: TRACT (6) The SISWINWIZ.

and being the same lands described in Deed dated April 27, 1953 from J. O. Anderson and wife, Mary E. Anderson, and Willie L. Chambless and husband, C. O. Chambless to Tommie and Allean Pitts, and recorded in Deed Book 160, Page 196, and also described in Quit Claim Deed dated May 15, 1958 from C. O. Chambless, a widower and J. O. Anderson and wife, Mary E. Anderson to Tommie Pitts and wife, Allean Pitts, and recorded in Deed Book 194, Page 162, containing 20.00 acres, more or less.

TOWNSHIP 22 SOUTH, RANGE 2 WEST, SECTION 2:

That part of the NW4NW4, lying North of the Shelby Springs and Elton dirt road, except 2.00 acres heretofore sold to Smith.

and being the same lands described in Deed dated December 22, 1952 from J. O. Anderson and wife, Mary E. Anderson, and Willie L. Chambless and husband, C. O. Chambless to Curtis Ellis, and recorded in Deed Book 158, Page 341, containing 38.00 acres, more or less.

SAID LANDS IN SCHEDULE "C" BEING ESTIMATED TO COMPRISE 211.00 ACRES, MORE OR LESS.

SAID LANDS IN SCHEDULE "A", SCHEDULE "B", AND SCHEDULE "C" BEING ESTIMATED TO TOTALLY COMPRISE 692.40 ACRES, MORE OR LESS.

SIGNED FOR IDENTIFICATION

#### EXHIBIT "B"

Attached to and by reference made a part of that certain Oil and Gas Lease made and entered into by and between John M. Steadham, Sr. and his wife, Elva B. , as Lessor, and ATLANTIC RICHFIELD COMPANY, Steadham A PENNSYLVANIA CORPORATION, as Lessee, under date of August 26, 1982 to-wit:

Notwithstanding anything contained herein to the contrary, this is a paid up lease and no rentals are due during the term contained herein; the rental paragraph 5 is completed for the payment of shut in gas royalty, should the shut in gas royalty become payable.

Notwithstanding anything contained herein to the contrary, 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 and accumulated delay rentals, the sum of Sixteen Dollars, (\$16.00 ) per acre for each acre renewed, on or before the expiration 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 and abandoned, payment or tender may be made within thirty (30) days from the date on which the well is plugged and abandoned. Payment or tender of the renewal bonus and accumulated delay rentals may be made in the same manner and into the same depository provided for the payment of delay rental. Should this option be exercised and the primary term extended as herein provided, Lessor agrees that no delay rental payments shall be required to maintain his lease during the extended primary term. 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 event of 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 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 released and the acreage renewed and extended.

Lessor hereby warrants and agrees to defend the title to said lands as against all persons, firms, agencies or corporations claiming by, through or under it but not otherwise and agrees that Lessee, at its option, may discharge any tax, mortgage or other lien upon said lands, either in whole or in part, and in the event Lessee does so, it shall subrogate to such lien with rights to enforce same and apply rentals and royalties accruing hereunder towards satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in, and/or holds the executive leasing rights with respect to the oil, gas or minerals on, in or under said lands less than the entire fee simple estate, then the royalties and delay rentals to be paid to the Lessor shall be reduced proportionately.

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SIGNED FOR IDENTIFICATION

John M. Steadham, Sr.

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