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412 Drummond Rd.

OIL, GAS AND MINERAL LEAS Shelby Cnty Judge of Probate, AL

01/05/1983 00:00:00 FILED/CERTIFIED

November 3rd THIS AGREEMENT made this. and her husband. Ethridge Brazier; Terry Cook and Gracie Lee Barber and her husband, Sid Barber: Charlie FayeBrasher. single woman: Sarah Lois Cook, the heirs at law of Oscar Cook, deceased and Nola Cook, a widow, being Sterrett, Alabama Box 79, Route 1. lessor (whether one or more), whose address is:

Box 50879. New Orleans. La.

Ten and Other Valuable Consideration (\$10.00 & OVC) 1. Lessor, in consideration of of which is hereby acknowledged, and of the covenants and agreements of lessee hereinalter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purpose 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 sal land, lay pipe lines, establish and utilize facilities for surface or subsurface dispusal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee house 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 lan She1by

adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Alabama

__ and is described as follows: TOWNSHIP 18 SOUTH, RANGE 2 EAST

Section 5: Beginning at the NW corner of the NW 1/4 of the SE 1/4; thence South 690 feet; thence South 71 degrees 10 minutes East 1520 feet to the West ROW of County Highway 43; thence South 40 degrees West along said ROW 183/feet to the SE corner of the NW 1/4 of the SE 1/4; thence East 725 feet more or less to Howard Road; thence North along said Road 140 feet; thence North 52 degrees 45 minutes West 442 feet to a point on the West ROW OF County, Highway 43; thence along said ROW Northeasterly 350 feet; thence North 63 degrees 30 minutes West 1139 feet to Buckhorn Branch; then along said branch North 56 degrees 30 minutes West 85 feet; thence North 3 degrées 30 minutes West 89 feet to the North line of the NW 1/4 of the SE 1/4; thence West 733 feet to the point of beginning. LESS AND EXCEPT: Beginning at the SE corner of the NE 1/4 of the SE 1/4; thence North 53 de 11 minutes West 823 feet to Howard Road; thence along said road South 9 de East 303 feet; thence North 52 degrees 45 minutes West 20 feet to the poin of beginning; thence along the last named course 208.71 feet; thence turns an angle of 90 degrees to the left 208.71 feet; thence turning an angle of 90 degrees to the left 208.71 feet; thence turning an angle of 90 degrees the left 208.71 feet to the point of beginning.

범It is their intention and the Lessors do hereby let and lease all of the lan and mineral rights jointly owned by them in the above section, township ar TH range whether properly described herein or not.

This lease does not cover coal, iron ore or any other hard rock minerals.

It is understood and agreed between the Lessors and the Lessee that no governtions shall be begun on the above described property without obtaining the prior written consent of the surface owner; it is further understood agreed that all bonus consideration for the herein lease shall be paid to GERALDINE AND ETHRIDGE BRAZIER or to their credit in the named depository This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjoining the land above described and (a) owned or claimed by lessor by limitati 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 me complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to cont

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 lumus as lump sum consideration for this lease and all rights, and options hereunder. five 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of the longer terminated or longer kept in force under other provisions hereof. long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days. 1 /6

3. As revulty, lesser coverants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lesser plotoconnect its wells, the equal of the part of all oil produced and saved by lesser from land, or from time to time, at the softon of lesser, to pay lessor, the average posted market price of such operated part of such oil at the wells as of the day it is run to the pipe line or storage tanks, less interest, in either case, to bear operation 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 260620000 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 the well, of a esting 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 elect except that on sulphur mined and marketed the myslty 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 la with which said land or any partion 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 the operations were being conclucted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee convenants and agrees to use reasons 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 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 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 period, lessee shall pay or tender, by check or draft of lessee, as myalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the 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 sub-paragraph. Each such payment or ten shall be made to the parties who at the time of payment would be entitled to receive the myalties which would be paid under this lease if the wells were producing, or may be deposited to such parties cred

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Pell City, Alabama or its successors, which shall continue as the depositories, regardless of changes in the e ership of shut-in royalty. If at any time that lexee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment be provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. payment hereunder may be made by check or draft of lesser deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exchangely the then owner or owners of this lease, severally as to acreage owned by each,

4. Lessee is hereby granted the right, at its option, to puol 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 particular 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 may be enlarged to contain not more than 640 acres plus 10% acreage tolerance, if unitized only as to gus and liquid hydrocarbons (condensate) which are not a liquid in the subsurface reservoir. If larger unit 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 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 and filling 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 eith 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 profed or unitized. Any operation conducted on any part of such unitized land shall be considered, for all purposes, except the payment of myalty, operations conducted under this lease. There shall be allocated to the land covered by this included in any such unit that proportion of the total production of unitized minerals from wells in the unit, after deducting any used to lease or unit operations, which the number of surface acres in the covered by this lease included in the unit hears 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 my evertiding revolty, and any other payments not of production, to the entire production of unitized minerals from the portion of said land covered bereby and included in such unit in the same manner as 1) produced from said land maker the terms of this lease. The owner of the revisionary estate of any term coyalty or mineral estate agrees that the account of myalties pursuant to the garagraph or of shul-in require from a well on the unit shall ratisly 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 shut-in production revally i 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 Linds within a unit while the operations therein for unitized minerals unless all peopled 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 h 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 becommer shall rem

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. 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 any mineral or horizon thereunder

thereby relieved of all obligations as to the released acreage or interest. 6. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated except as otherwise provided berein, to commence or continue any operations c the primary term. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging by remairing of a well in search for or in an embravor 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 quan

7. Leasee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any ti 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 burn now on said land without the concent. lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

