RETURN TO ERCO EXPLORATION COMBANY

Producer's 55 Alabama 8-1-81	OTT AND OACTEACE	LEASE PURCHASE UNIT
	OIL AND GAS LEASE	B. O. BOX 2819, DALLAS, TEXAS 7522
THIS AGREEMENT, made as of the _3	th November 1982 between	
Mary Margaret Chesse	r a/k/a Mary M. Chesser a/k/a Mar	rgaret Chesser a/k/a Mrs. M. M.
Chesser and her husb	and, L. P. Chesser	
of 615 Franklin Street	Huntsville, Alabama 35810	,
herein called Lessor (whether one or more), s	atlantic richfield company, A	A PENNSYLVANIA CORPORATION
of P. O. Box 2819	Dallas, Texas 75221	
herein called La see:	WITNESSETH:	•
and agreements of the Lessee, herein provi- prospecting, drilling and operating for and p helium and any other gas, whether combustil to, natural flow, acidizing, fracturing, comb- storing oil, and building tanks, ponds, power produced or made therefrom, the following of	(\$10.00), and other valuable consideration, cash in hand paid, received, hereby grants, leases and lets exclusively unto Lessee, for producing oil, gases (including without limitation casinghead gas, ble or not), liquid hydrocarbons and associated products, whether institution, steam soak, steam flood, water flood, oil flood, and for injectations, roads, electric lines, telephone lines, and other structures described land (herein referred to as "said land")	ipt and sufficiency of which is hereby acknowledged, and of the royalties, outposes of investigating, exploring by geophyiscal and other methods, casinghead gasoline, gas condensate (distillate), hydrogen sulphide gas, a gaseous, solid or liquid state, by any method, including, but not limited ection of any substance; laying, constructing and maintaining pipelines, upon said land to produce, save, treat, process and transport any product
situated inShelby	County, State of Alabama	, to-wit:
SEE EXHIBIT "A" ATTA	ACHED HERETO AND BY REFERENCE MAD	E A PART HEREOF FOR ALL PURPOSES.
in the second se	•	
<u> </u>		
		19830131000013230 Pg 1/4 00 Shelby Cnty Judge of Probate,AL
C.	•	01/31/1983 00:00:00 FILED/CERTIFIED
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said land being estimated to comprise payments hereunder.		age figure may be relied upon by Lessee in calculating rental or other
Notwithstanding the above specific des		in this lease, and Lessor does hereby lease, all lands owned or claimed by and underlying lakes, streams, roads, easements and rights-of-way which
cross or adjoin the said land, including all is	ind added thereto by accretion.	five (5) force for a term of man MS years from the date hereof, hereinafter called a no cessation for more than ninety (90) consecutive days.
2. Unless sooner teminated or longer ke	ept in force under other provisions hereof, this lease shall remain in perations, as hereinafter defined, are conducted upon said land with	force for a term of MAN years from the date hereof, hereinafter called have cessation for more than ninety (90) consecutive days.
A A	on (a) To deliver to the credit of lessor in the nine line to Which Is	essee may connect its wells, the equal one-eighth part of all off produced
	a aithar acta. Ia haor ana aidhth at tha cast at tteathru ail to fenuet i	of such one-eighth part of such oil at the wells as of the day it is run to the it marketable pipe line oil; (b) To pay Lessor on gas, including casinghead
gas or other gaseous substances, produced	from said land and sold or used off the premises for the extraction see sold or used, provided that on gas sold by Lessee the market value.	lue shall not exceed the cash proceeds received by the Lessee for such gas
and on the world of the well and on t	gas sold at the well the royalty shall be one-eighth of the cash proce	eeds realized by Lessee from such sale. If, at the expiration of the primary portion thereof has been pooled, capable of producing gas or any other
	are shut in this lease shall nevertheless, continue in force as though	operations were being conducted on said land for so long as said were are
shut-in, and thereafter this lease may be co	outinued in force as if no shut-in had occurred. Lessee covenants and wells, but in the exercise of such diligence, lessee shall not be oblined.	and agrees to use reasonable diligence to produce, utilize, of market die ligated to install or furnish facilities other than well facilities and ordinary
leace facilities of flow lines senarator, and l	lesse tank, and shall not be required to settle labor trouble or to ma	arket gas upon terms unacceptable to lessee. If, at any time or times after ring such time there are no operations on said land, then at or before the
and the state of t	shall now as tender, by check or draft of lessee, as royalty, a sum equ	ual to the amount of annual delay rental provided for in this lease. Lease e
ealely by resear of the provisions of this no	gragraph. Each such payment or tender shall be made to the partic	day period if upon such anniversary this lease is being continued in force es 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 I fessionment of this lease and in whole or in part, liability for pays	provided for below. Nothing herein shaft hispati lessee's right to release as ment hereunder shall rest exclusively on the then owner or owners of this
Torre committee or to common oursed by any	oh. If the price of any mineral or substance upon which royalty is:	payable hereunder is regulated by any law or governmental agency, the all not be in excess of the price which Lessee may receive and retain.
4. I asses is hereby granted the right a	at its option, to pool or unitize all or any part of said land and of thi	is lease as to any or horizons thereunder, with other lands, lease or leases,
may be established or an existing unit may l	he enlarged to contain not more than 640 acres plus 10% acreage to	an 80 surface acres plus 10% acreage tolerance; provided, however, a unit lerance, if unitized only as to gas or only as to gas and liquid hydrocarbons
a regular location, or for the obtaining of a	maximum allowable, from any well to be drilled, drilling, or alread	er any governmental rule or order for the drilling or operation of a well at dy drilled, any such unit may be established or enlarged to conform to the
size prescribed or nemitted by such govern	nmental order or rule. Lessee shall exercise said option as to each de	estred unit by executing an instrument identifying such unit and filing it for time to time, and whether before or after production has been established
either on said land or on the portion of said	d 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 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 royally, operations
the unit, after deducting any used in lease of	or unit operations, which the number of surface acres in the land cov	t that proportion of the total production of unitized minerals from wells in vered by this lease included in the unit bears to the total number of surface
production to be the entire production of	unitized minerals from the portion of said land covered hereby an	or delivery of royalty, overriding royalty, and any other payments out of included in such unit in the same manner as though produced from said
land under the terms of this lease. The owr	ner of the reversionary estate of any term royalty or mineral estate a	agrees that the accrual of royalties pursuant to this paragraph or of shut-in rmation of such unit shall not have the effect of changing the ownership of
any delay rental or shut-in production roys	alty which may become payable under this lease. Neither shall it in	mpair the right of lessee to release from this lease all or any portion of said
unit. Lessee may dissolve any unit establish	hed hereunder by filing for record in the public office where this les	nitized minerals unless all pooled leases are released as to lands within the ase is recorded a declaration to that effect, if at that time no operations are
being conducted thereon for unitized mine	erals. Subject to the provisions of this paragraph 4, a unit once estal ablished, modified or dissolved during the life of this lease.	blished hereunder shall remain in force so long as any lease subject thereto
	said land on or before the first anniversary date hereof, this lease s	shall terminate as to both parties, unless lessee on or before said date shall
subject to the further provisions hereof, pa	ay or tender to lessor or to lessor's credit in theBank of	Huntsville (Main Branch)
	Bank at Hunts	ville, Alabama 35810

or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of , 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 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 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, 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 ofl, gas, sulphur or other minerals, excavating a mine, production of ofl, 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 ren

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 purt 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 (80) 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.

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. 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 thereafter by operations as if such delay had not occurred.

SEE EXHIBIT *1B*1* FOR FURTHER PROVISIONS OF THIS LEASE.

IN WITNESS WHEREOF, this instrument is executed on the date first above written. Mary Margaret Chesser a/k/a Mary M. Chesser a/k/a Margaret Chesser a/k/a Mrs. M. M. Chesse Chesser BOOK ACKNOWLEDGMENT Chesser and her husband, L. P. Chesser whose nameS are signed to the foregoing instrument, and who SE DAMES are known to me, they acknowledged before ine on this day that, being informed of the contents of said instrument, _____ executed the same voluntarily on the day the same bears date. CIVEN under my hand and seal of office this 9th day of _____ December My Commission expires: September 25, 1983 ~ Y STATE OF ALABAMA _____ CORPORATE ACKNOWLEDGMENT COUNTY OF_____ , 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. CIVEN under my hand and official seal this ______ day of ______, A.D. 19 Notary Public My Commission expires: _____

_____Address P. O. Box 35290, Houston, Texas 77035

Stephen E. Hasha

This instrument was prepared by_____

4 PAGE X /J

Attached to and by reference made a part of that certain Oil and Gas Lease made and entered into by and between Mary Margaret Chesser a/k/a Mary M. Chesser a/k/a Margaret Chesser a/k/a Mrs. M. M. Chesser and her husband, L. P. Chesser, as Lessor, and ATLANTIC RICHFIELD COMPANY, A PENNSYLVANIA CORPORATION, as Lessee, under date of November 30, 1982, to-wit:

Being 73.711 acres, more or less, situated in TOWNSHIP 19 SOUTH, RANGE 1 WEST, SECTIONS 20 and 29, Shelby County, Alabama:

Section 20: A part of the ExSEx, containing 33.711 acres, more or less.

Section 29: The NEKNEK, containing 40:00 acres, more or less.

and being the same lands described in Six (6) Deeds, to-wit:

- DEED (1) From John David Fox and wife, Maudine Boykin Fox to Mary M. Chesser, described in deed dated January 4, 1957, and recorded in Deed Book 343, Page 796, containing 40.00 acres, more or less.
- DEED (2) From F. H. Pearce and wife, Dorothy A. Pearce to Mrs. M. M. Chesser, described in deed dated February 4, 1939, and recorded in Deed Book 137, Page 243, containing 1.00 acres, more or less.
- DEED (3) From L. P. Chesser to Margaret Chesser, described in deed dated April 14, 1949, and recorded in Deed Book 137, Page 244; also, described in correction deed dated August 17, 1950, and recorded in Deed Book 142, Page 384; and also, described in correction deed dated April 22, 1952, and recorded in Deed Book 152, Page 521; containing in all 33.066 acres. more or less.
- DEED (4) From George Huddleston, Sr. and wife, Bertha Huddleston to Mary Margaret Chesser, described in deed dated November 21, 1951, and recorded in Deed Book 152, Page 519.
- DEED (5) From Ernest E. Lackey and wife, Gordie Mae Lackey to Mary Margaret Chesser, described in deed dated February 29, 1952, and recorded in Deed Book 152, Page 517.
- DEED (6) From Fred Vogala and wife, Nellie V. Vogala to Mary Margaret Chesser, described in deed dated May 14, 1959, and recorded in Deed Book 336, Page 198, containing 2.125 acres, more or less.

SAVE AND EXCEPT 2.48 acres, more or less, described in Deed dated November 14, 1975 from Mary M. Chesser to State of Alabama, and recorded in Deed Book 296, Page 791.

Said lands being estimated to comprise 73.711 acres, more or less.

SIGNED FOR IDENTIFICATION

Mary Margaret Chesser a/k/a
Mary M. Chesser a/k/a Margaret
Chesser a/k/a Mrs. M. M. Chesser

L. P. Chesser

BOOK

Attached to and by reference made a part of that certain Oil and Gas Lease made and entered into by and between Mary Margaret Chesser a/k/a Mary M. Chesser a/k/a Margaret Chesser a/k/a Mrs. M. M. Chesser and her husband, L. P. Chesser, as Lessor, and ATLANTIC RICHFIELD COMPANY, A PENNSYLVANIA CORPORATION, as Lessee, under date of November 30, 1982, to-wit:

Notwithstanding any thing 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, the sum of Fifteen Dollars (\$15.00) 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 may be made in the same manner and into the same depository provided for the payment of delay rental. If Lessor owns an interest in the land less than the entire fee simple estate, the renewal bonus shall be reduced proportionately to accord with 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. The renewal bonus shall be in lieu of delay rental for the first year of the extended term.

FOR IDENTIFICATION

1983 月科 31 月科 9:59

Mary Margaret Chesser a/k/a Mary M. Chesser a/k/a Margaret Chesser a/k/a Mrs. M. M. Chesser