

509

6th

July

19 83

Rt. 1, Box 322B, Sterrett, Alabama 35147

EXHIBIT WITNESSED

Ten and No/100 and other valuable considerations

TOWNSHIP 18 SOUTH, RANGE 1 EAST

Lessee agrees not to enter upon or establish a drill site on the above described property without the prior written approval of the surface owner.

It is agreed and understood between Lessor and Lessee that wherever the fraction 1/8 appears in Paragraph No. 3 it is decreed to read 1/6.

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

BOOK PAGE 68

304

Five (5)

the Central Bank of the South (Leeds Branch)

Leeds, Alabama

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, and thereby relieved of all obligations as to the released acreage or interest.

7. Lessee 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. Lessor 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. Lessor shall pay for damages caused by its operations to growing crops and timber on said land.

W. W. Beckett

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, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of leasee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other provision hereof, 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 lessors' heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, leasee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event leasee considers that lessor has not complied with all its obligations hereunder, both express and implied, leasee shall notify lessor in writing, setting out specifically in what respects leasee has breached this contract. Leasee 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 leasee. The service of said notice shall be precedent to the bringing of any action by leasee 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 lessor. Neither the service of said notice nor the doing of any acts by leasee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessor has failed to perform all its obligations hereunder. Should it be asserted in any notice given to the leasee under the provisions of this paragraph that leasee 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 leasee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which leasee 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 leasee 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. Leasee 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 leasee 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. Leasee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which leasee 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, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and leasee 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 leasee, the primary term 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.

12. In the event that lessor, during the primary term of this lease, receives a bona fide offer which lessor is willing to accept from any party offering to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein with the lease becoming effective upon expiration of this lease, lessor hereby agrees to notify leasee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Leasee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Section. Should leasee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail or telegram prior to expiration of said 15-day period. Leasee shall promptly thereafter furnish to lessor the new lease (or execution on behalf of lessor(s) along with lessor's right draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, lessor(s) shall promptly execute said lease and return same along with the enclosed draft to lessor's representative or through lessor(s) bank of record for payment.

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

WITNESS:

Monroe H. Johnson, III (SEAL)
Monroe H. Johnson, III
S.S.# [REDACTED]

Louise A. Johnson (SEAL)
Louise A. Johnson

BOOK 349 PAGE 69

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1983 AUG -9 AM 10:48

Thomas A. Shanderson, Jr.
JUDGE OF PROBATE

Deed TAX .50
Min TAX .15
Res 10.00
Ind 1.00
TT.65

JOINT OR SINGLE ACKNOWLEDGEMENT
(MISSISSIPPI-ALABAMA-FLORIDA)

STATE OF Alabama
COUNTY OF Shelby

I hereby certify, that on this day, before me, a Notary Public

duly authorized in the state and county aforesaid to take acknowledgments, personally appeared

Monroe H. Johnson, III and wife, Louise A. Johnson

to me known to be the person 3 who are described in and who executed the foregoing instrument and

t h y

acknowledged before me that, being informed of the contents of the same, (the within and foregoing instrument on the day and year therein mentioned.

t h y

voluntarily signed and delivered

Given under my hand and official seal, this 8th day of

July

A.D. 19 83

(Affix Seal)

My commission expires

5/16/86

in and for

SHELBY CO. ALABAMA

Produced by (S-70) Prod L.P. with Pooling Provision Mississippi-Alabama-Florida	
No.	
Oil, Gas and Mineral Lease	
FROM	
TO	
Date	19
No. Acres	
County	
State	
This instrument was filed for record on the	
day of	19
at	
Book	
Page	
and duly recorded in	
of the	
records of this office	
(Notary Clerk)	
Signature	
When recorded return to	
HARRISMAN BRUN, JACOBSON, MISS	