## OIL, GAS AND MINERAL LEASE

THIS ACREEMENT made	16th	alay of	August	_,	19 <u>_84</u> 1mtweet
W. D. Smith and his wife	. Flora Smith	<del></del>			· · · · · · · · · · · · · · · · · · ·
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•	Tom 3 No. /100		•		Jesser, WITNESSETH
land, lay pipe lines, establish and and other structures on said land.	l, and of the covenants and agreements of lengt and operating for, producing and owning intilize facilities for surface or subsurface dispersary or useful in besee's operations in our benefit, herein called "said land", is located bereby, herein called "said land", is located bereby.	see hereinalter contained, doe ( oil, gas, sulphor and all other isposal of salt water, construct exploring, drilling for, product ated in the County of	s hereby grant, lease and let unto lest minerals (whether or not similar to roads and bridges, dig canals, build t og, treating, storing and transporting	see the land covered hereby for the pur- those mentioned), together with the ri-	ght in make surveys on said know lines
111111	and is d	lescribed as follows:			
In Section 10:	Begin 70 yards North 70 yards of Way; thence So North line of Shealong said Highway beginning; thence interest owned or	rth of the Sos; thence Eacutheasterly lby County Hi y Right of Wa	st to the West I along said Railr ghway # 491 righ y to a point due point of beginn	ine of the Railre oad Right of Way to the contract of the point of the point ing, together with	oad Right to the e Westerly nt of
It is agreed an appears in para	d understood between graph # 3, it is an	en the Lessor mended to rea	and Lessee that d 1/6th.	whenever the fr	action 1/8th
This lease does	not cover coal, in	ron ore, or a	ny other hard ro	ck minerals.	
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complete or accurate descript	les, in addition to that above described, all or unrecorded instrument or (b) as to which the purpose tion of said land. For the purpose	of determining the amou	nt of any bonus or other pay	one any supplemental instrument requirement becomeder, said land shall	he deemed to contain
2. Unless some terminated i	for this lease and all rights, and options he longer kept in force under other provision bereinglier defined, are conducted upon sale	ereunder na hereof, this lease shall comui	a in force for a term of 05000 ver	o (5)	r therent. Lessor accepts the Bed "primary term", and a
3. As royalty, leave covenant, land, or from time to time, at the ginterest. In either case, to leave one the amount realized by lessee, converget that on sulphur mined and with which said land or any portion were being conducted diligence to produce, utilize, or a facilities and ordinary lease facilities period, lessee shall pay or tender, of each anniversary of the expiration shall be made to the purities who the	s and agrees: (a) To deliver to the credit of ke option of leaser, to pay leaser, the average creighth of the cost of treating oil to render imputed at the mouth of the well, or (2) whe digas; (c) To pay leasor on all other mineral marketed the royalty shall be one dollar (3) on thereof has been profied, capable of produon told load for so long as said wells are sho market the minerals capable of being productes of flow lines, separator, and lease tank, oll such wells are shut-in for a period of also by check or draft of leases, as averalty, a sum into of said ninety day period if upon such a at the time of payment would be entitled to the time of payment would be entitled to	essor, in the pipe line to which proted market price of such it marketable pipe line oil; (b) in used by lessee off said land its mined and marketed or utili, 00) per long ton, if, at the expucing gas or any other mineral st-in, and thereafter this lesse reced from said wells, but in the and shall not be required to selectly consecutive days, and during equal to one dollar (\$1.00) for miversary this lesse is being or receive the royalties which we	lessee may connect its wells, the equipme-eighth part of such oil at the we To pay lessor on gas and casingheod or in the manufacture of gasoline or ized by lessee from said land, one-tendiration of the primary term or at any covered hereby, and all such wells a nay be continued in force as if no shoe exercise of such diligence, lessee stitle labor trouble or to market gas uping such time there are no operation rach acre of land then covered herefuntinued in force solely by reason of mild be paid under this lease if the vertical states of the solely by the	al one-eighth part of all oil produced at ils as of the day it is run to the pipe is gas produced from said land (i) when sother produces, the market value, at the other produces, the market value, at the well time or times thereafter, there is any were shul-in, this lease shall, nevertheless, ut-in had occurred. Leasee convenants a hall not be obligated to install or furnition terms unacceptable to lease. If, at son said land, then at or before the early, Leasee shall make like payments or the provisions of this sub-paragraph. Earlis were producing, or may be deposited were producing, or may be deposited.	ine or storage tanks, leason and by leaser, one-eighth of mouth of the well, of one-or mine at leaser's election well on said land or on lands continue in force as though and agrees to use reasonable sh facilities other than well any time or times after the apiration of said ninety day tenders at or before the ended to such payment or tender ted to such parties credit in flank
provided, pay or tender such shulpayment bereutder may be made payment. Nothing berein shall im	WAY AVE. Box 420 Sy y time that lessee pays or tenders shut-in re t-in royalty, in the manner above specified, by check or droft of lessee deposited in the pair lessee's right to release as provided in pa lesse, severally as to acreage owned by each	yaity, two or more parties are, , either jointly to such parties e mail or delivered to the part urugruph 5 hereof. In the even	r, or claim to be, entitled to receive or separately to each in accordance y entitled to receive payment or to a	same. Jessee may, in lieu of any other with their respective ownerships thereo denosities bank convided for above or	less of changes in the own- method of payment herein of, as lessee may elect. Any n or before the last dute for
roay be enlarged to contain not me required, under any governmenta unit may be established or enlarge and filing it for record in the published land or on the partien of sat bereinder shall be valid and effectiveliated on any part of such times.	he right, at its option, to pool or unitize all or exact theremaker, so as to establish units corone than 640 acres plus 10% acreage tolerand trule or order, for the drilling or operation est, to conform to the size required by such his drive in which this lease is recorded. Each land included in the unit or on other landing for all purposes of this lease even though trive for all purposes of this lease even though appetion of the total production of unitized.	otaining not more than 50 surf ce, if unitized unity as to gas an of a well at a regular location, governmental order or rule. I, ch of said options may be exerc ad unitized therewith and any th there may be land or refuera- uses, except the payment of re-	ace acres plus 10% acreage tolerance d liquid hydrocarbons (condensate) was or for obtaining maximum allowable essee shall exercise said option as to e itsed by lessee from time to time, and such unit may include any well to d, royalty or leasehold interests in land evalty, operations conducted under the discountry of the second conducted and exercise to the second conducted to the second conduct	; provided, however, a unit may be establish are not a liquid in the substantace of from any well to be drilled, drilling, such desired unit by executing an instrument before or after production had be drilled, being drilled or already one d within the unit which are not profed in lease. There shall be allocated to the	lablished or an existing unit reservoir. If larger units are or already drilled, any such ument identifying such unit is been established either on impleted. A unit established or unitized. Any operations aland covered by this form

overriding royalty, and any other payments out of production, to the entire production of unitized minerals from the portion of said land covered hereby and included in such unit in the same manner as though produced from said land under the terms of this lease. The owner of the revisionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to the paragraph or of shut-in royalties from a well on the unit shall satisfy 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 myship may become payable under this lease. Neither shall it impair the right of leases to release from this lease all or any portion of said land, except that leases may not so release as to lands within a unit while there are allowed to unit and authority and authority and authority when this lease it is a subject to the make this lease. operations thereon for unitized minerals unless all proted leases are released as to lands within the unit. Lessee may dissolve any unit established becoming for record in the public office where this heare is 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 becoming shall remain in 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, and 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 herein, to commence or continue any operations during 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 back or repairing of a well in search for or in an embeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, excavating a mineral miner

covered by this leave included in the unit bears 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 revalty;

7. Leaser shall have the one, free from enyphy, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations becomiler. Leaser shall have the right at any time to remove all machinery and futures 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 comment of the lesser. Lesser shall pay for damages caused by its operations to growing crops and timber on said land.

This lease red by: Richard C. Bradley collingwood Drive Jackson,

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 coverants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, anigns, and successive essigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, because 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 of or to leave, its successors or anigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, Inmovement effected, shall be boulding upon the their record owner of this lesse until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lesson or lesson's hours, successive, or assigns, motor 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 the issue, and of such court records and proceedings, transcripts, or other documents at shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in importable) occurs by reason of the death of the owner, lessee 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 9 In the event least considers that lease has not complied with all its obligations bereander, both express and implied, leasor shall notify leases in writing, setting out specifically in what respects beare has Invacined this constact. Leave 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 leave. The service of said notice shall In 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 lease. Neither the service of said notice nor the doing of any acts by lessee aimed to most all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations bereamder. Should it be asserted in any notice given to the lence under the provisions of this paragraph that lence 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 policial gavertainment that such father exists and lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which leaser 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 altowable 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 specing rules require; and (2) any part of said land included in a profess unit on which there are operations. Lessee shall also have such executeurs on said land as are necessary to operations on the acreage to retained. 10 Lenest hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lenor's rights and interests hereunder shall be charged primarily with any mortgages, laves or other hers, or interest and other charges on said land, but lessor agrees that lesses shall have the right at any time to pay or reduce same for lessor, either before or after materies, and be subrogated to the rights of the holder thereof and to deduct ansonats an paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lesse. Lessee is bereby given the right to acquire for its own benefit, deeds, leaves, or assignments covering any interest or claim in said land which leave or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to leaner. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land then the entire and undivided fee sample estate (whether lessor a interest is berein 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 passi only to the proportion which the interest therein, if any, covered by this lease; hears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lease; 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 bereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lease is not conducting operations on said lasted 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 distimilar, (except financial) beyond the reasonable control of legice, 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 lesse, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lesse covering any or all of the substances covered by this leave and covering all or a portion of the land described herein with the leave becoming effective upon expiration of this leave. Leaver hereby agrees to notify Leaver in writing of sold 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. Lessee, 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 Lessee 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 13-day period. Lessor the new lesse for execution on behalf of Lessor(s) along with Lessor's sight drult payable to Lemm to payment of the specified amount as consideration for the new leave, such deaft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor(s) A)uill promptly execute said lease and return some along with the endorsed draft to Lessee's representative or through Lessoe(s) bank of record for payment. (WITNESS WHEREOF, this instrument is executed on the date first above written. NITNESS: (SEAL) FLORA SMITH (SEAL)

WITNESS WHEREOF, this sustrument to executed on the date first above written.

W. D. SMITH

FLORA SMITH

JLORA SMITH

JLOR

STATE OF ALARAMA COUNTY OF TALADEGA  1 hereby certify, last out this day, before me. a Notary Public  duly authorized in the state and county aforesaid to take acknowledgments, personally appeared W. D. Smith  and his wife. Flora Smith  to me known to be the person B. described in and who executed the foregoing instrument and acknowledgment on the day and year therein, may have the within and foregoing instrument on the day and year therein, may have the within and foregoing instrument on the day and year therein, may have a county of the state.  Circy and William of County in the county of the state.  AD. 18-84  (Aftis said)  CARY  AD. 18-84   We obspicuously general and official mul. this.  AD. 18-84   County Alabama  Oil, Cas and Minoral official mul. this.  AD. 18-84   County Alabama  Oil, Cas and Minoral official mul. this and forest of the state.  The man and for Talladaga County Alabama  Oil Cas and Minoral official mul. this and forest of the state.  The man and for Talladaga County Alabama  Oil Cas and Minoral official mul. this and forest of the state and for the state and forest of	発生がある。		1984 OCT -	AH 8: 49	Inc.	13		
STATE OF ALARAMA  COUNTY OF TALADEGA  1 hereby certify, that on this day, before me. a Notary Public  duly, sutherized in the state and county aforesaid to take acknowledgments, personally appeared  M. D. Smith  and his wife, Flora Smith  to me known to be the person S demonstrated in and who executed the foregoing instrument and  acknowledged before me that being informed of the contents of the same.  the within and foregoing instrument on the day and year threshy, may proved.  Civey material to and of the same of t	<del> </del>	· · · · · · · · · · · · · · · · · · ·		JOINT OR SING! (MISSISSIPP)	E ACKNOWLEDGEMEN ALABAMA-FLORIDA)		· · · · · · · · · · · · · · · · · · ·	
1 hereby certify, that on this day, before me. s. Notary Public chily authorized in the state and county aforesaid to take acknowledgments personally appeared  Real Als wife. Flora Smith  to me known to be the person S. described in and who seacouted the foregoing instrument and  L be y.  acknowledged before one that, being informed of the contents of the same, the within and foregoing instrument can the day and year therefore property  (APTI Contract and Circle and Ci								
AD. 18 SA  ATT THE INSTRUMENT CONTROL OF THE ACTION OF THE	1 hereby	certify, that on this day, before		•	W. D. Sm	1 th	·····	
ectation bedged before mer that, being informed of the contents of the same, the sittles and foregoing instrument on the day and year therein maniformed.  Given antife' in the and and official wal, thin	duly authoriz	and in the state and county of	oresaid to take acknowledge	and his wife		<del></del>		
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(Affin Sand	action ledge (he within as	d before me that, being informal foregoing instrument on the	e day and year therein man	threed.				_ A.D. 19-84
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Oil, Gas and Mineral I.  Oil, Gas and Mineral I.  FROM  This instrument was filed for record on the	<del>A</del>	UBP	<del></del>		<u></u>	· · · · · · · · · · · · · · · · · · ·		
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