

**Producers 88 (9/70)—Paid Up  
With Pooling Provision  
Mississippi-Alabama-Florida**

Hederman, William Jackson, Missions

## JUL 17 1991

**12th**

## June

91

**THIS AGREEMENT made this**

day of

**19**

**Investment return**

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_  
Glenna S. Jarrette and husband, Charles E. Jarrette; Bobby L. Raygan and wife,  
Linda S. Raygan; Bobby Stripling; Marie S. Terpo; Charles E. Jarrette, Jr.;  
Cherryl VAN HET ZAND; Thomas F. Huey and wife, Janet Purser Huey.

Cherryl VAN HET ZAND; Thomas F. Huey and wife, Janet Purser Huey

lessor (whether one or more), whose address is:

~~77063~~

and McKenzie Mathane Corporation, 7880 San Felipe, Suite 100, Houston, TX lessor, WITNESSETH:

### **-Ten and More-**

**Dollar, receipt**

1. Lessor, in consideration of the sum of \_\_\_\_\_ Dollars, lawful money of the United States, to Lessee, of and the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land of which is hereby acknowledged, and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other covered hereby for the purposes 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 said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals, 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 land adjacent thereto. The land covered hereby, herein called "said land", is located in the \_\_\_\_\_

County of Shelby, State of Alabama, and is described as follows:

See EXHIBIT A attached hereto and made a part hereof for the description of the lands covered by this lease.

There is in the possession of Lessor and Lessee and by reference made a part of this lease an unrecorded Side Letter Agreement of even date herewith executed by the parties hereto covering and including modifications of certain printed provisions of this lease form and certain other additional covenants, conditions and provisions that are part of this lease agreement between Lessor and Lessee as though fully written and included herein.

Source of Title: Book R.B. 85, Page 622  
R.B. 112, Page 636

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, 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 more complete or accurate description of said land. For the purpose of this lease, the word "land" shall include all interests in land.

possession of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 39 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 the bonus as lump sum consideration for this lease and all rights, and options hereunder. three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of term (25) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

[illegible]

entitled to receive the royalties which would be paid under this lease if the wells were producing, or may be deposited to such parties credit in the \_\_\_\_\_ Bank.

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee 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 herein 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. Any payment hereunder may be made by check or draft of lessee 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 for 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 exclusively on 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 pool 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, leases or leases, or portion or 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 unit may be enlarged to contain not more than 640 acres plus 10% acreage tolerance, if unitized only as to gas or only as to gas and liquid hydrocarbons (condensate) which are not a liquid in the subsurface reservoir, if larger units are 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 such 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 unit and filing 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 either on 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 pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted under this lease. There shall be allocated to the land covered by this lease included in any such unit that proportion of the total production of unitized minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease 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 royalty, overriding royalty, and any other payments out of production, to be 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 severed estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this 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 royalty which 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 lands within a unit while there are operations thereon for unitized minerals unless all pooled 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 lease 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 hereunder 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 be relieved of all obligations as to the released acreage or interest.

9. 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 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 water 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.

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BOOK

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, 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 of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, 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, 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, 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 above.

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 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 said judicial ascertainment that such failure exists and lessee has then been afforded a reasonable time to prevent cancellation by complying with said judicial ascertainment. 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. Lessee 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, 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 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 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.

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

Glenna S. Jarrette -S.S.#  
Charles E. Jarrette -S.S.#  
Bobby L. Raygan -S.S.#  
Linda S. Raygan -S.S.#  
Bobby Stripling -S.S.#  
By Linda Raygan, as Attorney in Fact

Mari S. Terpo -S.S.#  
Charles E. Jarrette, Jr. -S.S.#  
Cherryl Van Het Zand -S.S.#  
Thomas F. Huey -S.S.#  
Janet Purser Huey

JOINT OR SINGLE ACKNOWLEDGMENT

STATE OF FL  
COUNTY OF OKALOOSA  
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 Cherryl Van Het Zand  
to me known to be the person described in and who executed the foregoing instrument and he  
acknowledged before me that, being informed of the contents of the same, he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 1 day of July, A.D. 1991  
(Affix Seal) Sharon R. Gierpky  
NOTARY PUBLIC, STATE OF FLORIDA  
(Title of Official)  
My commission expires 12-31-92 in and for OKALOOSA County, FL

Oil, Gas and Mineral Lease

TO  
FROM  
Date  
No. Acres  
County  
Term  
The instrument was filed for record on the  
day of  
at  
Book  
Page  
of the  
record of this office.  
By  
When recorded return to  
Deputy  
Hederman Brothers-Jackson, Mississippi  
County Clerk

Producers 88 (9-70) Paid Up with Pooling Provision  
Mississippi-Alabama-Florida



STATE OF Alabama JOINT OR SINGLE ACKNOWLEDGMENT  
(MISSISSIPPI-ALABAMA-FLORIDA)  
COUNTY OF Jefferson  
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 Gleason S. Jarrette  
and Charles S. Jarrette  
to me known to be the person they described in and who executed the foregoing instrument and they he  
acknowledged before me that, being informed of the contents of the same, they he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 4th day of July, A.D. 1991  
(Affix Seal) Linda J. Jarro, Notary Public  
(This is Official)  
My commission expires 4-29-94 in and for State of Ala., at Large

STATE OF Alabama JOINT OR SINGLE ACKNOWLEDGMENT  
(MISSISSIPPI-ALABAMA-FLORIDA)  
COUNTY OF Jefferson  
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 Bobby L. Raygan  
and Linda S. Raygan  
to me known to be the person they described in and who executed the foregoing instrument and they he  
acknowledged before me that, being informed of the contents of the same, they he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 4th day of July, A.D. 1991  
(Affix Seal) Linda J. Jarro, Notary Public  
(This is Official)  
My commission expires 4-29-94 in and for State of Ala., at Large

STATE OF Alabama JOINT OR SINGLE ACKNOWLEDGMENT  
(MISSISSIPPI-ALABAMA-FLORIDA)  
COUNTY OF Jefferson  
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 Bobby L. Raygan  
as Attorney-in-fact for Linda S. Raygan  
to me known to be the person she described in and who executed the foregoing instrument and she he  
acknowledged before me that, being informed of the contents of the same, she he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 4th day of July, A.D. 1991  
(Affix Seal) Linda J. Jarro  
Notary Public  
(This is Official)  
My commission expires 4-29-94 in and for State of Ala., at Large

STATE OF Alabama JOINT OR SINGLE ACKNOWLEDGMENT  
(MISSISSIPPI-ALABAMA-FLORIDA)  
COUNTY OF Jefferson  
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 Marie S. Jarro  
she  
to me known to be the person she described in and who executed the foregoing instrument and she he  
acknowledged before me that, being informed of the contents of the same, she he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 4th day of July, A.D. 1991  
(Affix Seal) Linda J. Jarro  
Notary Public  
(This is Official)  
My commission expires 4-29-94 in and for State of Ala., at Large

STATE OF Alabama COUNTY OF Jefferson JOINT OR SINGLE ACKNOWLEDGMENT (MISSISSIPPI-ALABAMA-FLORIDA)  
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 Charles E. Janette, Jr.  
to me known to be the person described in and who executed the foregoing instrument and he  
acknowledged before me that, being informed of the contents of the same, he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 4th day of July, A.D., 1991  
(Affix Seal) Linda J. Jano  
Notary Public  
(Title of Official)  
My commission expires 4-29-94 in and for State of Alabama, at Large

STATE OF Alabama COUNTY OF Jefferson JOINT OR SINGLE ACKNOWLEDGMENT (MISSISSIPPI-ALABAMA-FLORIDA)  
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 Thomas F. Huey  
to me known to be the person described in and who executed the foregoing instrument and he  
acknowledged before me that, being informed of the contents of the same, he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 9th day of July, A.D., 1991  
(Affix Seal) Thomas F. Huey  
Notary Public  
(Title of Official)  
NOTARY PUBLIC, STATE OF ALABAMA AT LARGE.  
My commission expires MY COMMISSION EXPIRES SEPT. 25, 1994 in and for Jefferson County, Alabama  
~~POWER THIS NOTARY PUBLIC UNDERSIGNED.~~

BOOK 362 PAGE 236 STATE OF Alabama COUNTY OF Jefferson JOINT OR SINGLE ACKNOWLEDGMENT (MISSISSIPPI-ALABAMA-FLORIDA)  
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 Janet Purser Huey  
to me known to be the person described in and who executed the foregoing instrument and he  
acknowledged before me that, being informed of the contents of the same, he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this 9th day of July, A.D., 1991  
(Affix Seal) Stacy M. Brayer  
Notary Public  
(Title of Official)  
MY COMMISSION EXPIRES JUNE 26, 1993 in and for Jefferson County, Alabama  
My commission expires

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ JOINT OR SINGLE ACKNOWLEDGMENT (MISSISSIPPI-ALABAMA-FLORIDA)  
I hereby certify, that on this day, before me, a \_\_\_\_\_  
duly authorized in the state and county aforesaid to take acknowledgments, personally appeared \_\_\_\_\_  
to me known to be the person described in and who executed the foregoing instrument and he  
acknowledged before me that, being informed of the contents of the same, he voluntarily signed and delivered  
the within and foregoing instrument on the day and year therein mentioned.  
Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 19\_\_\_\_\_  
(Affix Seal) \_\_\_\_\_  
(Title of Official)  
My commission expires \_\_\_\_\_ in and for \_\_\_\_\_ County, \_\_\_\_\_



EXHIBIT A

This Exhibit A is attached to and by reference made a part of that certain Oil, Gas and Mineral Lease dated June 12, 1991, between Glenna S. Jarrette and husband, Charles E. Jarrette; Bobby L. Raygan and wife, Linda S. Raygan; Bobby Stripling; Marie S. Terpo; Charles E. Jarrette, Jr.; Cherryl VAN HET ZAND; Thomas F. Huey and wife, Janet Purser Huey., AS LESSORS, and McKenzie Methane Corporation, AS LESSEE.

TOWNSHIP 22 SOUTH, RANGE 3 WEST

SECTIONS 5 and 6:

Commencing at the SE Corner of Section 6, Township 22 South, Range 3 West, the point of beginning; thence West along the South line of said Section a distance of 661.00 feet to a point; thence North 41°45' East a distance of 720.50 feet to a point; thence northeasterly and parallel 420.00 feet southerly of Old Tuscaloosa Road a distance of 1,260.00 feet to a point at McHenry Creek; thence Southeasterly along said creek to a point on the South line of Section 5, Township 22 South, Range 3 West, thence Westerly along the south line of said section to the point of beginning. Also a parcel beginning at the point at the end of the 720.50 feet distance described above; thence Northeasterly and parallel 420.00 feet Southerly of Old Tuscaloosa Road a distance of 840.00 feet, more or less, to a point 420.00 feet from the center of McHenry Creek, said point being the Southwest corner of the land conveyed to Jimmy Scott (Deed Book 260, p. 132, Shelby County Probate Office); thence Northerly along the West line of said Scott property a distance of 420.00 feet, more or less, to the South line of Old Tuscaloosa Road; thence Westerly along the South line of Old Tuscaloosa Road a distance of 840.00 feet to a point; thence Southerly a distance of 420.00 feet, more or less, to the point of beginning. Both parcels being situated in the Southeast quarter of the Southeast quarter of Section 6 and Southwest quarter of the Southwest quarter of Section 5, both in Township 22 South, Range 3 West, Shelby County, Alabama.

I CERTIFY THIS INSTRUMENT WAS FILED

91 SEP -5 AM 10:49

SIGNED FOR IDENTIFICATION:

JUDGE OF PROBATE

Glenna S. Jarrette  
Glenna S. Jarrette

Charles E. Jarrette  
Charles E. Jarrette

Bobby L. Raygan  
Bobby L. Raygan

Linda S. Raygan  
Linda S. Raygan

Bobby Stripling by Linda Raygan  
Bobby Stripling  
By Linda Raygan, as Attorney in Fact

Marie S. Terpo  
Marie S. Terpo

Charles E. Jarrette, Jr.  
Charles E. Jarrette, Jr.

Cherryl Van Het Zand  
Cherryl VAN HET ZAND

Thomas F. Huey  
Thomas F. Huey

Janet Purser Huey  
Janet Purser Huey

|                  |       |
|------------------|-------|
| Min TAX          | 1.95  |
| 1. Seal Tax      | 1.00  |
| 2. Mfg. Tax      |       |
| 3. Recording Fee | 37.50 |
| 4. Indexing Fee  | 11.00 |
| 5. No Tax Fee    | 1.00  |
| 6. Certified Fee |       |
| Total            | 52.45 |