

This instrument prepared by: Scott N. Smith, 1114 W.Parks, Raymond, MS. 39154 2

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

Bonus: \$400.00  
Hederman Brothers—Jackson, Mississippi  
(3-89)

AL-41 OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 19th day of March 1991, between  
ROBERT H. DAY and wife, MARGARET M. DAY

lessor (whether one or more), whose address is: 913 South 83rd Street, Birmingham, Alabama 35206,  
and Cabot Oil & Gas Corporation of Delaware, Charleston, WV 25235, witnesseth:

1. Lessor, in consideration of Ten Dollars & Other Good & Valuable Consideration Dollars, receipt  
of which is hereby acknowledged, and of the covenants and agreements of lessee hereinabove contained, does hereby grant, lease and let unto lessee the land  
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  
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:

TOWNSHIP 20 SOUTH, RANGE 4 WEST

Section 34: The NE 1/4 of the SE 1/4.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

It is the intent of the Lessor to lease and let, and Lessor does hereby  
lease and let exclusively to Lessee all minerals owned or claimed by them  
in Section 34, all in Township 20 South, Range 4 West, Shelby County,  
Alabama, whether correctly described above or not.

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 pur-  
pose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40.00 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.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) 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.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-  
eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price  
of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth  
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,  
one-eighth of 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 one-eighth 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 election, except that on sulphur mined and mar-  
keted the royalty 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 lands with which said land or any portion 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 though operations were being conducted 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 covenants and agrees to use reasonable 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 well 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 the 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 day period, lessee shall pay or tender,  
by check or draft of lessee, as royalty, 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 end 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 tender shall be made to the parties who at the time of payment would be en-  
titled 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

AmSouth Bank, 1900 5th Avenue North Bank  
Birmingham, Alabama

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 3 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, lease or leases, or portion or portions thereof, or mineral or horizon thereunder, so as to establish units containing not more than 640  
acres plus 10% acreage tolerance; provided, however, a unit may be established on 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 reversionary 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 dur-  
ing 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.

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 opera-  
tions 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.

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 perform all its obligations hereunder, 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 its 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 the 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.

*Robert H. Day* (SEAL)  
ROBERT H. DAY  
S.S. # [REDACTED] (SEAL)

*Margaret M. Day* (SEAL)  
MARGARET M. DAY/S.S. # [REDACTED] (SEAL)

JOINT OR SINGLE ACKNOWLEDGMENT  
(MISSISSIPPI-ALABAMA-FLORIDA)

STATE OF ALABAMA  
COUNTY OF JEFFERSON

Notary Public

I hereby certify, that on this day, before me, a \_\_\_\_\_  
duly authorized in the state and county aforesaid to take acknowledgments, personally appeared  
ROBERT H. DAY and wife, MARGARET M. DAY

to me known to be the person S described 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 therein mentioned.

Given under my hand and official seal, this 19th day of March

(Affix Seal)

*Sam Bearder*  
Notary Public

(Title of Official)

My commission expires 11-21-94

WITNESS ACKNOWLEDGMENT  
(MISSISSIPPI-ALABAMA-FLORIDA)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

In and for the aforesaid jurisdiction, hereby certify that \_\_\_\_\_

a subscribing witness to the foregoing instrument, known to me, appeared before me on this day, and being sworn, stated that \_\_\_\_\_

the grantor(s), having been informed of the contents thereof, voluntarily executed and delivered the same in his presence, and in the presence of the other subscribing witness, on the day the same bears date: that he attested the same in the presence of the grantor(s), and of the other witness, and that such other witness subscribed his name as a witness in his presence.

(Subscribing Witness)

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

(Affix Seal)

(Title of Official)

In and for \_\_\_\_\_ County, \_\_\_\_\_

My commission expires \_\_\_\_\_

By _____	Book _____	No. Acres _____	Dated _____	To _____
When recorded return to _____	Page _____	County _____	19 _____	19 _____
County Clerk _____	of the _____	record of this office.		

This instrument was filed for record on the \_\_\_\_\_

day of \_\_\_\_\_, 19 \_\_\_\_\_, at \_\_\_\_\_

o'clock \_\_\_\_\_ and duly recorded in \_\_\_\_\_

Book \_\_\_\_\_, Page \_\_\_\_\_  
of the \_\_\_\_\_ record of this office.

County Clerk \_\_\_\_\_

Lessee's mailing address:

Cabot Oil & Gas Corporation of Delaware, P.O. Box 1473, Charleston, WV 25325-147

EXHIBIT "A"

Attached to that certain Oil, Gas and Mineral Lease by and between \_\_\_\_\_  
ROBERT H. DAY and wife, MARGARET M. DAY,  
as Lessor, and CABOT OIL & GAS CORPORATION OF DELAWARE, as Lessee, dated \_\_\_\_\_  
March 19, 1991.

In Paragraph 1 of this Lease which sets forth the substances covered and conveyed by this Lease and describes the lands to which this Lease is applicable, which paragraph is commonly known as the granting clause, there shall be added at the conclusion of the paragraph the following sentence:

"The word gas as used herein shall also include coalbed gas, methane, occluded natural gas and any other naturally occurring gases contained in or associated with any coal seam, vein, bed, strata or deposit."

Lessor specifically grants to Lessee so much of the ~~surface and sub-surface~~ coal deposit as is reasonably necessary to drill and produce the occluded natural gas found in the coal seams. In addition, it is understood and agreed that in order to obtain maximum efficient recovery of occluded natural gas from coal seams, Lessee may hydraulically fracture or stimulate the coal seams adjacent rock. Lessee shall be specifically relieved of any and all damages of any nature for any such stimulation, and Lessor hereby forever releases and discharges Lessee, its successors and assigns from any and all liability for such damages, including loss of coal.

Any coal mining lease or other mineral lease, whether it be for surface mining or underground operations, executed subsequent to this Lease shall be expressly subject to the rights of the Lessee under the terms and conditions of this Lease.

Signed for Identification:

Robert H. Day  
ROBERT H. DAY  
S.S. # [REDACTED]

Margaret M. Day  
MARGARET M. DAY  
S.S. # [REDACTED]

0123/Land.dod

Inst # 1992-11395

06/17/1992-11395  
08:23 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
003 MCD 31.00