

953

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3.50

OIL AND GAS LEASE  
(PAID-UP)

AGREEMENT, Made and entered into this 31st day of October, 1977,  
by and between Nancy M. Paige, 4207 Butternut Court, Houston, Texas 77088

\_\_\_\_\_, Party of the first part, hereinafter called lessor (whether one or more),  
and A. E. Garrison, 1428 B NW, Ardmore, Okla. 73401, part Y of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten and more DOLLARS,  
cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and  
performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of  
exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead  
gas and helium and all other constituents), and for laying pipe lines, and building tanks, powers, stations and structures thereon, to produce, save and take  
care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Carter  
State of Oklahoma, described as follows, to-wit: NE/4 NE/4

of Section 21, Township 3 South, Range 1 West, and containing 40 acres, more or less.

It is agreed that this lease shall remain in force for a term of 5 years from date (herein call primary term) and as long thereafter as  
oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

three-sixteenths (3/16)

1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells, the ~~maximum~~ part of all oil (including but  
not limited to condensate and distillate) produced and saved from the leased premises.

2nd. To pay lessor for gas of whatever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in  
the manufacture of products therefrom, ~~maximum~~ at the market price at the well for the gas sold, used off the premises, or in the manufacture of pro-  
ducts therefrom, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not  
being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this  
lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made,  
on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the  
anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that  
gas is being produced within the meaning of the entire lease. Lessor shall have the privilege at his risk and expense of using gas from any well, producing  
gas only, on the leased premises for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial  
gas, ~~maximum~~ of the proceeds, at the mouth of the well, at the prevailing market rate for the gas during which time such gas shall be used, said pay-  
ments to be made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension  
thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations with reasonable  
diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such  
well had been completed within the term of years first mentioned.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata  
or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or  
without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with  
or without distillate more than 640 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or  
allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used  
in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and pro-  
duction from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are  
located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty  
on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only that part of the  
acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in  
lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest  
therein on an acreage basis bears to the total acreage in the unit.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein pro-  
vided shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall ex-  
tend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the  
obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the lessee until after the lessee has been  
furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all  
obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease  
shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure  
is the result of any such Law, Order, Rule or Regulation.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some  
of the lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease  
as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release  
thereof to lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to re-  
deem for lessor by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated  
to the rights of the holder thereof.

IN TESTIMONY WHEREOF, we sign this the 31st day of October, 1977

David H. Clark

X Nancy M. Paige  
Nancy M. Paige  
271-30-8300

Soc. Sec. No. X

Lessor

826 PAGE 490  
STATE OF OKLAHOMA TEXAS  
County of Harris

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 19th day of December, 1977, personally appeared Nancy M. Paige

personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that she executed the same as her free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires April 11, 1979

Vivian Jackson  
Notary Public

STATE OF OKLAHOMA,  
County of

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this day of 19, personally appeared

personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that executed the same as free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires

Notary Public

STATE OF OKLAHOMA,  
County of

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this day of 19, personally appeared

personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that executed the same as free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires

Notary Public

Oil and Gas Lease

RECORDED  
FEB 1 11 15 AM '78  
FROM BOOK 220 PAGE 489  
FLORENCE G. JONES  
COUNTY CLERK  
CARTER, OKLA.  
Rana Turner

Date 19

Section Township Range

No. of Acres

Term

STATE OF OKLAHOMA,

County of

This instrument was filed for record on the day

of 19

at o'clock M., and duly recorded

in book page of the

records of this office.

County Clerk

Deputy

Record and Mail to:

Anita E. Dawson 1428 B.M.W.

Address OK 73401

Burkhart Printing & Stationery Co., Tulsa, Okla.

STATE OF OKLAHOMA,  
County of

(ACKNOWLEDGMENT FOR CORPORATION)

On this day of A. D., 19, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its and acknowledged to me that executed the same as free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires

Notary Public