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## OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 30th day of August, 1973, by and between GEORGIA-PACIFIC CORPORATION, a Georgia corporation, hereinafter called "Lessor", and Relco Exploration Co., Inc., a Louisiana corporation, hereinafter called "Lessee", WITNESSETH:

1. Lessor, in consideration of Ten and No/100 Dollars

and other valuable considerations (\$10.00 & OVC) in hand paid, of the royalties herein provided, and of the agreement of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purposes of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, casinghead gas and other liquid and gaseous hydrocarbons, together with all other minerals, whether solid, liquid or gaseous, which are produced in connection with the production of oil, gas, casinghead gas and other liquid and gaseous hydrocarbons, laying pipe lines, building tanks, and other structures thereon to produce, save, transport and own said products and constructing roads and bridges, and in general, for all appliances, equipment, servitudes and privileges which may be necessary, useful or convenient to or in connection with any such operations conducted by lessee thereon, all right, title

and interest of lessor in and to the following described lands in Morehouse Parish, Louisiana

to-wit:

A certain tract or parcel of land in Section 29, Township 21 North, Range 5 East, Morehouse Parish, Louisiana, described as follows, to-wit:  
Commencing at the point where Sections 44, 45 and 29 join, run North 20° 30' West along the line between Section 29 and 44, a distance of 12.05 chains to the Northeast Corner of Section 29; thence West along the North line of Section 29 a distance of 60.70 chains to the Northwest Corner of Section 29; thence South along the West line of Section 29, 26.83 chains; thence East 5.01 chains; thence South along a line parallel to the West line of Section 29, 16.59 chains; thence West to the West line of Section 29, 5.01 chains; thence South along the West line of Section 29, 16.58 chains; thence East 11.04 chains; thence North along a line parallel to the West line of Section 29, 33.17 chains; thence East 6.03 chains; thence South 16.59 chains, thence East 11.43 chains; thence North 2.50 chains; thence East 2.15 chains; thence North 14.09 chains; thence East 48.35 chains to the West line of Section 45; thence North 20° 30' West along the West line of Section 45 to the point of beginning, containing 234.53 acres, more or less.

LESS AND EXCEPT a 36.26 acre, more or less, tract out of the above described land made subject to an oil, gas and mineral lease from Georgia-Pacific Corporation to Roy M. Teel, dated May 5, 1971, which excepted tract is described as being all that part of West Half of Northeast Quarter (W $\frac{1}{2}$  of NE $\frac{1}{4}$ ) of Section 29, lying between the lands of S. A. Townsend and husband on the South and lands of J. M. Plummer on the North; in Section 29, Township 21 North, Range 5 East, being part of the same lands marked on plat annexed and made a part of that certain correction lease filed in the records of Morehouse Parish in Conveyance Book 38, page 651, and containing approximately 36.26 acres of land, more or less.

The tract here leased containing in the aggregate 198.27 acres, more or less.

For all purposes of this lease, the described premises shall be treated as comprising 198.27 acres, whether there be more or less.

2. TERM: Subject to the other provisions herein contained, this lease shall be for a term of one (1) years from this date (called "primary term") and as long thereafter as oil, gas or other similar mineral, produced in connection therewith, is produced from said land or land with which said land is pooled hereunder.

(a) It is the intention of the parties that this lease shall also extend and apply to all outstanding mineral rights or servitudes affecting the lands herein described as the same may revert to lessor, its successors and assigns, from time to time.

3. ROYALTIES: The royalties to be paid by lessee are:

(a) On oil and other hydrocarbons, which are produced at the well in liquid form 1/8 of that produced and saved from said land, same to be delivered at the well in tanks provided by lessee, or to the credit of lessor into the pipe line to which wells may be connected, provided, that if lessor elects to take such products in kind the lessor shall furnish its own tanks; lessee may from time to time purchase any royalty oil or other liquid hydrocarbons in its possession, paying the market value thereof prevailing for the field where produced, on the date of purchase;

(b) On gas, including casinghead gas and other vaporous or gaseous substances produced from said land as follows:

First: In case lessee shall itself use gas in the manufacture of gasoline or other petroleum products therefrom, 1/8 of the sale price at the plant of the gasoline or other petroleum products manufactured or extracted therefrom and which are saved and marketed, after deducting a fair and reasonable cost (not to include any charges for plant construction or depreciation) for extracting or manufacturing said gasoline or other substance, and 1/8 of the market value of residue gas sold or used by lessee in operations not connected with the land herein leased. No deduction for extraction costs shall be made for liquid hydrocarbons recovered by use of drip, separator or similar apparatus on the flow line of wells, and, except as to gas being used for repressuring or recycling purposes, upon written request by lessor, lessee shall, prior to the sale or use of gas from such wells, install and use such apparatus on any well or wells capable of producing liquid hydrocarbons in paying commercial quantities.

Second: In the event lessee shall sell gas at the well, 1/8 of the amount received from such sales.

Third: In all other cases when sold or used off the premises, the price received at the well for 1/8 of the gas sold or 1/8 of the market value of gas used.

(c) Where oil or gas from a well drilled on the leased premises or on lands with which the leased premises or some part thereof are pooled and which is capable of producing gas in paying quantities and which is classified by the Department of

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, or other governmental authorities as a gas well and which gas is not being sold or used because of lack of market for the gas product thereof, either during or after the end of the primary term and this lease is not otherwise being maintained by production, lessee shall be allowed six (6) months from completion of the first such well or from cessation of market or from issuance of any order of governmental authority forbidding production from the leased land without a market for the gas production in which to secure the gas market necessary for production. During such six (6) months period and thereafter, for any period during which lessee is prevented from producing mineral by reason of lack of market for gas or gas product, it shall be considered that production is being obtained in paying quantities within the meaning of this contract, provided that lessee pays as royalty the sum of Two Dollars (\$2.00) per acre per year for each acre being maintained on the date of the first payment, due annually upon the anniversary date of this lease; except that the first such payment shall be due at the expiration of the time allowed lessee to secure a market and such initial payment shall be that proportion of Two Dollars (\$2.00) per acre which the period of time from such payment due date to the next ensuing anniversary date of this lease bears to a calendar year. Inability to sell gas at a price which lessee deems reasonable shall be considered a lack of market or demand. This lease may not be maintained in effect beyond the primary term solely under the provisions of this