

OIL, GAS AND MINERAL LEASE

AGREEMENT, Made and entered into the 22nd day of June, 1936 by and between
Tessie L. Twyman and husband, Charles Twyman

whose post office address is **Moberly, Missouri**

SHELL PETROLEUM CORPORATION

hereinafter called lessor (whether one or more), and

hereinafter called lessee:

1. WITNESSETH: That the said lessor, for and in consideration of One and No/100- 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, lease and let unto the said lessee for the purpose and with the exclusive right of exploring, drilling, mining, and operating for, producing, and owning oil, gas, sulphur and all other minerals and of laying pipe lines and of building tanks, telephone lines, power stations and other structures thereon to produce, save, treat and take care of said products, and housing its employees, all that certain tract of land situated in the County of Polk

State of Texas described as follows, to-wit: One thousand and sixty (1,060) acres of land, more or less, being a part of the P.A. Sublett League in Polk County, Texas, and being the same tract set apart to Rebecca Kimbrough by the Probate Court of San Augustine County, Texas in the partition of the estate of Henry Roberts, deceased, as shown in the Commissioners' Report dated October 2nd, 1866, to which report reference is here made for a more perfect description.

2. For the purpose of determining the amount of any money payment hereunder, said lease shall be considered to comprise 1060 acres, even though it actually comprises more or less, but it is Lessor's intention to lease, and Lessor does lease hereby, in addition to the land above described, all of the land and interests in land owned or claimed by Lessor by limitation or otherwise and located in said sections, grants, leagues and surveys, or adjoining sections, grants, leagues or surveys, and Lessor accepts the bonus as a lump sum and agrees to likewise accept the rentals as specified herein as a lump sum as full and complete consideration therefor, and Lessor expressly agrees to deliver to Lessee any supplemental instrument deemed necessary or requested by Lessee for a more complete or accurate description of said land.

3. It is agreed that this lease shall remain in force for a term of ten (10) years from this date, said term being hereinafter called "Primary Term," and as long thereafter as either oil, gas, sulphur or any other mineral is produced from said land by lessee.

4. In consideration of the premises lessee covenants and agrees:

(A) To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect its or his wells, the equal one-eighth part of all oil produced and saved by lessee from the leased premises, or from time to time, at the option of lessee, to pay lessor the average of the posted market price of such one-eighth part of such oil as of the day it is run to the pipe line or storage tanks.

(B) To pay lessor, as royalty for gas from each well where gas only is found, while the same is being sold or used off the premises, one-eighth of the market price at the wells of the amount so sold or used, and where such gas is not so sold or used lessee shall pay to lessor \$50.00 per annum as royalty from each of such wells and while such royalty is so paid such well shall be held to be a producing well under paragraph "3" hereof. While gas from any well producing gas only is being used or sold by lessee, lessor may have enough of such gas for all stoves and inside lights in the principal dwelling house on said land by making lessor's own connections with the well at lessor's own risk and expense.

(C) To pay lessor as royalty for gas produced from any oil well and used by lessee for the manufacture of gasoline, one-eighth of the market value of such gas at the wells. If such gas is sold by lessee, then lessee agrees to pay lessor, as royalty, one-eighth of the net proceeds derived from the sale of said casinghead gas at the wells.

(D) To pay lessor Fifty Cents (50c) per long ton (2240 pounds) on all sulphur produced and marketed from the land hereby leased.

(E) To pay lessor on all other minerals mined and marketed by lessee from the leased premises one-tenth either in kind or value at the well or mine at lessee's election.

5. If operations for drilling a well or excavating a mine be not commenced on said land on or before the day of 1936, this lease shall terminate as to both parties, unless lessee on or before that date shall pay or tender by the check or draft of lessee, to lessor, or to lessor's credit in

Bank at Bank at or its successors.

which shall continue as the depository, regardless of changes in ownership of said land, the sum of Dollars, which shall operate as rental and cover the privilege of deferring commencement of operations for the drilling of a well or excavating a mine for twelve (12) months from said date. In the manner and upon like payments or tenders the commencement of such operations may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred.

6. If on any rental date there be neither operations in progress for the drilling of a well or excavating a mine on said land, nor production therefrom, because of voluntary shutdown or for any other reason, this lease shall terminate, unless lessee on or before said date shall make or resume the payment of rentals as herein set forth; provided if such operations be abandoned within a period of ninety (90) days prior to any rental date or if production ceases within such ninety (90) days' period, lessee shall have a period of ninety (90) days after such abandonment of operations or cessation of production within which to commence re-working operations or operations for the drilling of another well or excavating a mine, or within which to make said rental payment, and the commencement of such operations or the payment of such rental within said ninety (90) days' period shall have the same force and effect as though commenced or paid on or before said rental date.

7. If, at the expiration of the primary term of this lease neither oil, gas, sulphur nor other mineral is being produced on the leased premises, but lessee is then engaged in drilling for oil or gas or mining for sulphur or other minerals, then this lease shall continue in force so long as drilling or mining operations are being continuously prosecuted on the leased premises; and drilling or mining operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well or mine and the beginning of operations for the drilling of a subsequent well or excavating of a subsequent mine. If oil, gas, sulphur or other minerals shall be discovered and produced from any such well or wells drilling or being drilled or sulphur be discovered and produced from any mine or mines excavated or being excavated at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, sulphur or other minerals shall be produced from the leased premises.

8. It is specially agreed that in event oil, gas, sulphur or other minerals, is being produced or is obtained from said premises after the expiration of the primary term hereof and said production shall for any reason cease or terminate, lessee shall have the right at any time within ninety (90) days from the cessation of such production to resume drilling or mining operations in the effort to make said leased premises again produce oil, gas, sulphur or other minerals, in which event this lease shall remain in force so long as such operations are continuously prosecuted, as defined in the preceding paragraph, and if they result in production of oil, gas, sulphur or other minerals, so long thereafter as oil, gas, sulphur or other minerals is produced from the premises.

9. If said lessor owns a less interest in the leased premises than the entire and undivided fee simple estate, or no interest therein, then the royalties, rentals, and other moneys herein provided for shall be paid lessor only in the proportion which lessor's interest, if any, bears to the whole and undivided fee.

10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for all operations thereon, except from water wells of lessor. When requested by lessor, lessee shall bury its 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 consent of the lessor. Lessee shall pay for damages caused by all 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.

11. It is agreed that the estate of either party hereto may be assigned in whole or in part and as to any mineral. All the covenants, obligations and considerations of the within lease shall extend to and be binding upon the parties hereto, their heirs, executors, administrators, successors, assigns and successive assigns. It is expressly agreed, with reference to every change or division whatsoever, and howsoever arising or effected, in the ownership of said land, royalties, rentals, or other moneys, or any part of the same, that no such change or division shall operate to increase the obligations or diminish the rights of lessee hereunder. If the ownership of the royalties becomes changed into separate divided portions of said land and the owners of such royalty desire separate gauges for production from such separate tracts, they shall furnish and set separate measuring and receiving tanks and connections therefor at their sole cost and expense, and lessee shall not be required to offset wells on separate tracts or portions of said land, or to furnish upon or as to any such tract or portion separate measuring or receiving tanks. Notwithstanding any other actual or constructive knowledge or notice whatsoever, thereof, of or to lessee, no change or division in the ownership of the lands, royalties, rentals, or other moneys shall be binding upon the owner of the lease unless and until after thirty (30) days' written notice thereof from both lessor and lessor's successor or successors in interest, their successors and assigns, in which all such parties in interest concur, and until such transfers or assignments, in the event such division or change is accomplished in that manner, have been properly recorded in the county or parish where the land lies, and copies thereof certified by the County Clerk or Recorder, shall have been delivered to the record owner of the lease at the time of recordation of such transfers or assignments, said notice and copies to be delivered to said record owner at his or its principal place of business. In the event of the death of lessor or his heirs, devisees, successors or assigns, no change in the ownership of the land, royalties, rentals, or other moneys hereunder shall be binding on the record owner of the lease until proof satisfactory to such record owner is furnished, evidencing such change in ownership. In event of assignment of this lease as to any part (whether divided or undivided) of said land, the rentals payable hereunder shall be apportionable as between the several lessor owners, ratably according to the surface area or undivided interest of each, and default in rental payment by one shall not affect the rights of other lessor owners hereunder. If six or more parties become entitled to royalty hereunder, lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

12. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in the lease, whether said oil is produced from land covered by this lease or other lands, and lessor shall be entitled to receive the royalty herebefore reserved on all such oil so saved.

13. In case of cancellation or termination of this lease for any cause, lessee shall have the right to retain under the terms hereof twenty-five (25) acres of land around each oil or gas well or mine producing, being worked on, or drilling hereunder, as long as such operations are continued in good faith, such tract to be designated by lessee in as near a square form as practicable.

14. 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.

15. Title to the minerals vested in lessee under this lease shall not end or revert to lessor until there is a complete, absolute and intentional abandonment by lessee of each and all of the purposes, expressed or implied, of this lease and every part and parcel of the premises described in this lease. Lessee may, at any time and from time to time, execute and deliver to lessor, or place of record, a release or releases covering any portion or portions of the above described premises, or any mineral thereunder, and thereby surrender this lease as to such portion or portions, or as to such mineral, and be relieved of all obligations and rentals as to the acreage, or mineral, surrendered.

16. Lessor hereby warrants and agrees to defend title to the leased premises and agrees that lessee shall have the right at any time to pay or reduce for lessor, either before or after maturity, any mortgages, taxes or other liens or interest and other charges on said lands and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments due or which may become due to lessor and/or assigns under this lease.

17. It is understood and agreed by all parties hereto that this is a fully paid-up lease with no delay rentals accruing under the terms of same.

IN TESTIMONY WHEREOF, we sign as of the day and year first above written.

WITNESSES:

Tessie L. Twyman
Charles Twyman

STATE OF TEXAS
County of Polk

I hereby certify that the foregoing instrument with its certificate of authentication was filed for record in my office on the 27 day of Jan 1953 at 8 o'clock 9 M., and was this day duly recorded at 2 o'clock P.M., in Vol. 49 Pages 461 et. seq. Oil and Gas Lease Records of said County.

Witness my hand and official seal at office in Livingston this 6 day of Feb 1953

J. W. McKee
Clerk, County Court, Polk County, Texas
By Mr Matthews Deputy

STATE OF Missouri,
COUNTY OF Randolph.

TEXAS JOINT ACKNOWLEDGMENT

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Charles Twyman and Tessie L. Twyman husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

And the said wife, having been examined by me privily and apart from her husband, and having had said instrument fully explained to her, she, the said wife, acknowledged the same to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this 22nd day of June A. D. 1936

My term expires May 9, 1939

Willard B. Stone
Notary Public in and for Randolph County, Missouri

THE STATE OF TEXAS,
COUNTY

TEXAS CORPORATE ACKNOWLEDGMENT

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

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of the said corporation and for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the _____ day of _____, A. D. 193_____

Notary Public in and for _____ County, Texas.

STATE OF LOUISIANA,
PARISH OF _____

LOUISIANA INDIVIDUAL ACKNOWLEDGMENT

Before me, the undersigned authority, on this _____ day of _____, 193_____,

personally came and appeared _____, who in the presence of _____ and _____, competent witnesses, declares and acknowledges

that _____ the identical person _____ who executed the foregoing instrument in writing, that the signature _____ thereto _____ own true and genuine signature _____, and that _____ executed said instrument of _____ own free will _____, and for the purposes and consideration therein expressed.

Thus done and passed on the day and date hereinabove written, in the presence of the before named and undersigned competent witnesses, who have hereunto subscribed their names, together with said appearer _____, and me, said Notary, after reading the whole.

WITNESSES:

Notary Public in and for _____ Parish, Louisiana.

STATE OF LOUISIANA,
PARISH OF _____

LOUISIANA WITNESS ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared _____

to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath, says: That he subscribed his name to the foregoing instrument as a witness, and that he knows _____

the Grantor named in said instrument, to be the identical person described therein, and who executed the same, and saw _____ sign the same as _____

voluntary act and deed, and that he, the said _____ subscribed his name to the same at the same time as an attesting witness.

Sworn to and subscribed before me, this _____ day of _____, 193_____

Notary Public in and for _____ Parish, Louisiana

Oil, Gas and Mineral Lease

FROM

Jesse L. Twyman et al

TO

Shell Petroleum Corp.

Dated _____, 193_____

No. Acres _____

County, Texas

Parish, La.

Term _____

This instrument was filed for record on the 27

day of Jan, 1953 at 8

o'clock A.M., and duly recorded in

Book 33 Page _____

of Records of this office.

J. W. McKee

County Clerk
or Recorder

By Trina Mae Baker

WHEN RECORDED RETURN TO Deputy

SHELL OIL & GAS COMPANY

LAND DEPARTMENT

HOUSTON AREA

SHELL BUILDING

HOUSTON, TEXAS