

LESLIE CARROLL AND CORA CARROLL.....}

TO....OIL, GAS AND MINERAL LEASE.....}

SHELL PETROLEUM CORPORATION.....} AGREEMENT, Made and entered into the 12th day of June 1933, by and between Leslie Carroll and wife, Cora Carroll whose post office address is Route #1, Fordtran, Texas, hereinafter called lessor (whether one or more), and Shell Petroleum Corporation hereinafter called lessee:

1. WITNESSETH: That the said lessor, for and in consideration of One Hundred 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 Lavaca, State of Texas, described as follows, to-wit:

BEING a part of the John Garelli survey and the A. Adams survey, more particularly described as follows: BEGINNING at a stake in the south line of said Adams survey 416 varas from its S. E. corner, this being the S. W. corner of a tract of a 71-3/5 acres conveyed to D. G. McManus by deed from J. K. Pearce and wife recorded in volume 34, page 196, Deed Records of Lavaca County, Texas. THENCE N 45 E 950 varas to the N. W. corner of said McManus tract a stake from which a B J 4 in mkd X brs S 1 vara; THENCE N 45 W 534 varas a P C mkd X 10 in in dia; THENCE S 45 W 950 varas a P O mkd I. 15 in in dia; THENCE S 45 E 534 varas to the place of beginning, containing 88 1/2 acres of land, more or less, and being the same land conveyed to Leslie Carroll by William Carroll and wife by deed dated the 24th. day of October 1921, and shown of record in volume 66, page 436, Deed Records of Lavaca County, Texas.

2. For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 100 acres, even though it actually comprises more or less, but it is lessor's intention to lease, and he does lease hereby, in addition to the land above described, all of the land and interests in land owned by lessor in said sections, grants, leagues and surveys as shown by the records of said County or Parish and all other land and interests in land owned by lessor in said sections, grants, leagues and surveys and adjoining sections, grants, leagues and surveys and lessor expressly agrees to deliver to lessee any supplemental instrument deemed necessary or requested by lessee for more complete or accurate description of said land and interests.

3. It is agreed that this lease shall remain in force for a term of twenty <sup>(20)</sup> 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 con-