

No. 1576

FRED L. DOUCETTE TO C.F. FAIN

MINERAL LEASE

STATE OF TEXAS |

COUNTY OF POLK |

Fred L. Doucette hereinafter called "Grantor" (whether one or more) grants to C.F.Fain hereinafter called "Grantee", the exclusive right to explore the land hereinafter described for mineral indications, to drill and mine thereon for oil, gas, sulphur and other minerals, and to produce and appropriate any or all of same therefrom, also the right to use, free of charge oil, gas and water from the land in conducting operations thereon and in treating to make marketable the products therefrom, the right to temove from the land at any time any property placed by Grantee thereon, and all rights necessary to the full enjoyment of this grant; all however, during the term and subject to the conditions hereinafter stated.

The land is in Polk County, Texas, and is described as follows;

Beginning at the N E corner of th_ 271 acre survey and in the N line of the said Sublett League, a pine 16 in brs S 74 E 8 vrs.

Thence S with the E line of said 271 acres 740 vrs to an inner corner of same stake from which a beech 14 in brs N 85 E 5 vrs;

Thence E at 400 vrs pass another N E corner of said 271 acres at 1210 vrs corner in the W line of B. Bailey's 80 acre tract from which a white oak 16 in brs N 55 W $4\frac{1}{2}$ vrs, white oak 14 in brs N W 7 vrs;

Thence N with said Bailey's W line 740 vrs to his N W corner in the N line of said league, a stake from which a magnolia 8 in brs N 62 W 6 vrs a beech 7 in brs N W 7 vrs;

Thence W with said league line 1210 vrs to the place of beginning containing 158.48 acres of land.

For the purpose of calculating the payments hereinafter provided for, the land is estimated to comprise 158 acres, whether it actually comprises more or less. All land owned by Granot in the above mentioned surveys is included herein, whether properly described above or not.

This grant shall terminate on the 20th day of March 1934 unless on or before that date the grantee elects, by notice in writing delivered to the grantor, to either drill a well on some part of the land embraced herein or to pay to the grantor One dollar (\$1.00) per acre for all or such part of the land as grantee desires to retain hereunder. If grantor owns less than the entirety of the land retained, the rentals shall be proportionately reduced on such fact being ascertained. If grantee elects to drill a well, grantee shall begin operations for such drilling within sixty days from the above date and prosecute such drilling with reasonable diligence to completion or abandonment in an honest, bona fide effort to find minerals in paying quantities in the land. If grantee elects to pay the sum of money above provided, such payment shall be made within thirty (30) days from above date, and within such time the grantee shall surrender and cancel this contract as to all of the land grantee does not desire to hold. The payment so made shall have the effect of maintaining grantee's right in the land retained for a period of twelve (12) months from the expiration date above stated without further payment or operations, and grantee may further maintain and keep in force all of the rights herein granted as to the land so retained without any operation for a series of 12 months periods aggregating four (4) additional years, by paying grantor on or before the beginning of such of such respective periods One dollars (\$1.00) per acre for all or that part of the land which grantee has elected to continue to hold hereunder. The notice may be given to grantor personally or by mailing at Houston, Texas, on or before the due date of the notice letter addressed to grantor at Hull, State Bank of Hull, Texas; (the payments may be made to Grantor personally or by mailing at Houston, Texas on or before the due date of the payment, letter addressed to the Hull State Bank of Hull, Texas, (or its successor) transmitting Grantee's check with instructions to such bank to deposit same to Grantor's credit; such bank being hereby constituted Grantor's Agent.

If, prior to discovery of oil on the land, a well producing as much as two hundred (200) barrels of oil per day for thirty (30) consecutive

days is brought in on adjacent land and within two hundred (200) feet of any line of the land, then held hereunder, Grantee shall with reasonable promptness begin and with reasonable diligence prosecute the drilling of a well on the land, then held hereunder, in an honest effort to discover oil in paying quantities.

After beginning operations on the land and prior to discovering any mineral in paying quantities thereon, Grantee may maintain Grantee's rights in effect for so long as it pleases by continuing such operations without lapse of more than sixty (60) days between cessation of operations on one well and the beginning of operations for drilling another; during the period of ten (10) years from the date above mentioned, Grantee may cease such operations and nevertheless maintain Grantee's rights in effect by beginning or resuming the payments above provided for making within sixty (60) days from such cessation the payment for the current period which must have been made in order to maintain Grantee's rights in effect without any operations.

After the discovery of any mineral in paying quantities on the land, Grantee's rights shall remain in effect so long as any of such minerals are produced in paying quantities from the land. And if Grantee fails to reasonably develop the land after the discovery of minerals such failure shall entitle the grantor to an action for damages only, and not to a cancellation or termination of Grantee's rights; and Grantee may, if Grantee so elects, after discovering any minerals in paying quantities on the land surrender any part thereof, whereafter none of the provisions hereof shall be effective as to the surrendered part, but Grantee may continue to hold the unsurrendered part by compliance with the provisions hereof as to the same.

Grantor shall be entitled to the following royalties; One-eighth ($1/8$) of the oil produced and saved and not used for fuel in conducting operations on the land or in treating to make marketable the products therefrom; one-eighth ($1/8$) of the net profits realized on the natural gas produced and saved; one-eighth ($1/8$) of the value (at the rate of

four cents per thousand cubic feet) of the casinghead gas used for the manufacture of casinghead gasoline; fifty cents (50¢) for each ton (2240 pounds) of sulphur marketed; and a reasonable royalty on any other mineral produced and saved. These royalties are based on ownership by Grantor of the entirety of the land; if Grantor owns less than the entirety, the royalties shall be proportionately decreased. The oil royalty shall be delivered to grantor free of expense at Grantor's option either at the well or to grantor's credit into any pipe line connected with the well.

The use of the surface of the land is granted only for the purpose hereof. Grantee shall be responsible for all damages caused by grantee's operations other than damages necessarily caused by the exploitations of and operations for minerals thereon.

All provisions hereof shall extend to and bind the heirs, successors, and assigns (in whole or to that extent in part) of the parties hereto, respectively; but no change in ownership of the land or part thereof the minerals or interest therein, shall impose any additional burden on Grantee or impair the effectiveness of any payment made as above provided.

Grantor acknowledges receipt of ten dollars (\$10.00) paid by C.F.Fain as the full and adequate consideration for every right granted herein.

Executed March 20th, 1933

Fred L.Doucette

STATE OF TEXAS |

COUNTY OF HARRIS |

BEFORE ME the undersigned authority, on this day personally appeared Fred L.Doucette known to me to be the person whose name is subscribed to the foregoing instrument on the other side of the sheet, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 20th day of March, 1933.

P.L.Flowers

Notary Public in and for Harris

(Seal)

County, Texas

Filed for record in my office on the 21st day of March 1933 at 1:45 o'clock P.M. and was this day duly recorded at 3:30 o'clock P.M. in Vol. 10, pages 355, et seq., Oil and Gas Lease Records of said County.

Witness my hand and official seal at office in Livingston this 23rd day of March, 1933.

Alex Jones
Clerk County Court Polk County, Texas

(Seal)

By Agnes Hood, Deputy

THE STATE OF TEXAS |

COUNTY OF POLK |

I, J.H. McKee, County Clerk Polk County, Texas hereby certify that the foregoing instrument of writing is a true and correct copy of Mineral Lease from Fred L. Doucette to C.F. Fain as shown from the record in Vol. 10, pages 355, et seq., Oil and Gas Lease Records of Polk County, Texas.

Witness my hand and official seal at office in Livingston this 28 day of June, 1955.

J.H. McKee
Clerk County Court Polk County, Texas

By Mrs C. D. Matthews Deputy

