

✓ E. A. PALMER AND H. SEEKAMP.....

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

✓ SHELL PETROLEUM CORPORATION..... AGREEMENT, Made and entered into the 11th day of June 1933, by and between E. A. Palmer and H. Seekamp whose post office address is Yoakum, 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 TEN 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 employes, all that certain tract of land situated in the County of Lavaca, State of Texas, described as follows, to-wit;

BEING that certain tract of land described as follows: Situated in Lavaca County, Texas, on the waters of Little Brushy Creek, about eighteen miles southwest of the town of Hallettsville, Texas, the same being part of the A. Adams survey, and the boundaries of which are as follows: BEGINNING at the northeast line of the C. Delmas survey one mile from said Chas. Delmas north corner, a stake, a post oak marked S. brs. N. 29 E 8-3/4 varas; another marked M. brs. N. 47 E. 11 3/4 varas; THENCE N. 45 E. 1925 varas a stake, a black jack tree marked X. brs. S. 6 E. 9 varas, another tree marked 1 brs. S. 12 1/2 E. 7 1/2 varas; THENCE S. 45 E. to the Streatman Northwest corner; THENCE with said Streatman line 1925 varas to Chas. Delmas line; THENCE with the northeast line of said Delmas to place of beginning, containing 160 acres of land, more or less, being the only land in said Adams survey in which grantors herein have any interest, and being the same land conveyed by E.M. Smith to Oliver Bailey, (now deceased and who was the father of the grantor herein, W. P. Bailey)

2. For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 160 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 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 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 <sup>land</sup> 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