

Bargain, Sell, Transfer, Assign and Convey all rights, title and interest of the original lessee and present owner in and to said leases and rights thereunder, together with all personal property used or obtained in connection therewith, to William Cash, his heirs, successors and assigns.

And for the same considerations, the undersigned, for himself and his heirs, successors and representatives, does covenant with the said assignee, his heirs, successors or assigns, that he is the lawful owner of the said leases and rights and interest thereunder and of the personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid; and that the undersigned will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, the undersigned owner and assignor has signed and sealed this instrument this the 22d day of July, A. D. 1935.

Richard A. Mason

THE STATE OF TEXAS, County of Harris, Before me, the undersigned authority, on this day personally appeared Richard A. Mason, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

"L S "Given under my hand and seal of office this 22d day of July, A.D. 1935.

E. J. Matthews Notary Public, Harris County, Texas.

Filed for record at 1:50 o'clock P. M. January 7th, A. D. 1936.

Recorded at 9:10 o'clock A. M. January 15th, A. D. 1936.

By Antony I. Lawkins Deputy Clk. Co. Ct. M. Co. Tex.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 12th, day of October, A. D., 1935, between Tom Petrucha and Julia Petrucha, husband and wife, of Matagorda County, Texas, lessor (whether one or more), and Wm. Cash, lessee, WITNESSETH

1. Lessor in consideration of four hundred and seventy five & 58/100 Dollars, (\$475.58) in hand paid, of the royalties herein provided and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Matagorda County, Texas, to-wit: 951.17 acres of land in two tracts, as follows: - 801.4 acres in the F. W. Dempsey League, known as Lot No. 6 as per plat or lot in the Matagorda County Plat records, and being all the lands we own in said League except the 500 acre tract off of the South side in a parallelogram running from the River to the Santa Fee R.R. the total acreage in said block or lot #6 being 1301.4 acres more or less.

Also a tract of 149.77 acres known on the Matagorda County map or plat book as Lot or Block No. 32, and being all we own in said Lot #32 be the same more or less, and being out of the Dugald McFarland League.

2. Subject to the other provisions herein contained, this lease shall be for a term of five years from this date (called "primary term ") and as long thereafter as oil, gas

887244
O, G & M L
Tom Petrucha
to

Wm. Cash

or other mineral is produced from said land hereunder. in paying quantities.

3. The royalties to be paid by lessee, are : (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of lessor in the pipe line to which the wells may be connected; lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor 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: In case lessee shall itself use gas in the manufacture of gasoline or other products therefrom 1/8 of 25% of the market value at the plant of the gasoline or other product manufactured therefrom, quantity of product to be ascertained in a manner recognized in the industry; in case lessee shall sell gas at the wells, 1/8 of the amount realized from such sales; and in all other cases when sold or used off the premises, the market price at the well of 1/8 of the gas so sold or used; and (c) on all other mineral mined and marketed, one-eighth, either in kind or value at the well or mine at lessee's election, except that on sulphur the royalty shall be One Dollar per long ton of 2240 pounds.

4. If operations for drilling are not commenced on said land on or before six months from this date this lease shall then terminate as to both parties unless on or before such anniversary date lessee shall pay or tender to lessor or to the credit of lessor in Bay City Bank and Trust Company Bank at Bay City, Texas, (which bank and its successors are lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of four hundred and seventy five & 58/100 Dollars, (\$475.58), (herein called rental), which shall cover the privilege of deferring commencement of drilling operations for a period of Six (6) months. In like manner and upon like payments or tenders annually the commencement of drilling operations may be further deferred for successive periods of Six (6) months each during the primary term. The payment or tender of rental may be made by check or draft of lessee mailed or delivered to said bank or Lessor on or before such date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after lessor shall deliver to lessee a proper recordable instrument, naming another bank as agent to receive such payments or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period.

5. If prior to discovery of oil or gas on said land lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or re-working operations within sixty days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three months from date of completion of dry hole or cessation of production. If at the expiration of the primary term oil or gas is not being produced on said land but lessee is then engaged in drilling or re-working operations thereon, the lease shall remain in force so long as operations are prosecuted with no cessation of more than 30 consecutive days, and, if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 150 feet of and draining the leased premises, lessee agrees to drill such offset well as a reasonably prudent operator would drill under the same or similar circumstances.

6. Lessee shall have free use of oil, gas, wood and water from said land, except water from lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege at his risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land, rentals, or royalties however accomplished shall operate to enlarge the obligations or diminish the rights of lessee. No sale or assignment by lessor shall be binding on lessee until lessee shall be furnished with a certified copy of recorded instrument evidencing same. In event of assignment of this lease as to a segregated portion of said land the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold 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.

8. In case of cancellation or termination of this lease for any cause, Lessee shall have the right to retain under the terms hereof five (5) acres of land around each oil or gas well 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.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land and in event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of lessee's rights under the warranty in event of failure of title, it is agreed that if lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Tom Petrucha

Julia Petrucha - Lessor

THE STATE OF TEXAS, County of Matagorda, Before me, the undersigned authority, on this day personally appeared Tom Petrucha and wife Julia Petrucha, 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 Julia Petrucha, wife of Tom Petrucha, having been examined by me privily and apart from her husband, and after having the same fully explained to her, she, the said Julia Petrucha, acknowledged such instrument to be her act and deed and declared she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

"L S " Given under my hand and seal of office this the 12th day of October, A.D. 1935.

R. F. Peden, Jr. Notary Public in and for Matagorda County, Texas.

Filed for record at 1:50 o'clock P. M. January 7th, A. D. 1936.

Recorded at 9:45 o'clock A. M. January 15th, A. D. 1936,

Ruby H. Peden Clk. Co. Ct. M. Co. Tex.

By _____ Deputy

887245(Assign. O & G L)
Wm. Cash

to
F. L. Luckel

ASSIGNMENT OF OIL AND GAS LEASE

Whereas, On the 12th day of October, 1935, a certain oil and gas mining lease was made and entered into by and between Tom Petrucha and Julia Petrucha, husband and wife, of Matagorda County, Texas, Lessor and Wm. Cash, Lessee covering the following described land in the county of Matagorda and State of Texas, to-wit:

951.17 acres of land in two tracts as follows:- 801.4 acres in the F. W. Dempsey League, known as Lot No. 6 as per plat or lot in the Matagorda County Plat records, and being all the lands we own in said League except the 500^{acres} tract off of the south side in a parallelogram running from the river to the Santa Fe R. R. the total acreage in said block or Lot #6 being 1301.4 acres more or less.

Also a tract of 149.77 acres known on the Matagorda County map or plat book as Lot or Block No. 32 and being all we own in said Lot #32 be the same more or less, and being out of the Dugald McFarland League.

Said lease being recorded in the office of the County clerk in and for said County in book __, page __, and

Whereas, The said lease and all rights thereunder or incident thereto are now owned by Wm. Cash

Now, Therefore, for and in consideration of One Dollar (and other good and valuable considerations), the receipt of which is hereby acknowledged, the undersigned, the present owner of the said lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder, in so far as it covers all the above described property. together with all personal property used or obtained in connection therewith to F. L. Luckel and his heirs, successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, does covenant with the said assignee his heirs, successors, or assigns, that he is the lawful owner of the said lease and rights and interests thereunder and of the personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid.

In Witness Whereof, The undersigned owner and assignor has signed and sealed this instrument the 26th day of December, 1935.

Wm. Cash

THE STATE OF TEXAS, County of Matagorda, Before me, a Notary Public in and for Matagorda County, Texas, no this day personally appeared Wm. Cash known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

"L S " Given under my hand and seal of office, this 30 day of December, A.D. 1935.

Myrtice McElveen Notary Public in and for Matagorda County, Texas.