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Agreement: Made and entered into the 15th day of DECEMBER 19 81 by and between JOHN O. MARION AND MARGARET R. MARION, husband and wife

of 9317 WEST MICHIGAN AVENUE, SALINE, MICHIGAN 48176 hereinafter called lessor (whether one or more), and B. B. LONG P. O. BOX 6621, TULSA, OKLAHOMA 74156 hereinafter called lessee;

Witnesseth: That the said lessor, for and in consideration of One and Other Dollar \$ cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained on part of lessee to be paid, kept and performed, has granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the said lessee for the sole and only purpose of mining and operating for oil and gas and of laying of pipe lines, and of building tanks, power stations, and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the Township of SALINE County of WASHTENAW State of MICHIGAN described as follows, to wit:

See EXHIBIT "A" attached hereto and made a part hereof

EXHIBIT "A"

TOWNSHIP 4 SOUTH, RANGE 5 EAST,

SECTION 10: All that part of the W 1/2 of the NW 1/4 and the W 1/2 of the SW 1/4 which lies Northerly of center of Highway U. S. 12, except commencing at intersection of the WEST line of the Section and the center of Highway U. S. 12, thence Northeasterly 550 feet in center Highway for PLACE OF BEGINNING, thence North 300 feet, thence East 188 feet, thence South 241 feet, thence Southwesterly in center of highway to PLACE OF BEGINNING.

AND

Commencing at the North 1/4 post of the section, thence South 31.30 Chains in the North and South 1/4 line to the center of the Highway for a PLACE OF BEGINNING, thence South 33.09 chains in the North and South 1/4 line, thence East 13 chains, thence North 40 chains to the center of the Highway, thence South 63 degrees 45' West 953.40 feet in the Highway to the PLACE OF BEGINNING; ALSO the North 5 acres of the following described land, beginning at the South 1/4 post of the section, thence North 15 chains in the North and South 1/4 line, thence East 10.77 chains, thence South 15 chains to the South line of the section, thence West 10.77 chains in the South line of the section to the PLACE OF BEGINNING, except, commencing at the North 1/4 post of the section, thence South 2077.25 feet in North and South 1/4 line for PLACE OF BEGINNING, thence South 599.38 feet in North and South line, thence South 89 degrees 31' East 243.96 feet, thence North 722.44 feet, thence South 63 degrees 37' 272.31 feet to PLACE OF BEGINNING.

SIGNED FOR IDENTIFICATION this 17th day of DECEMBER 1981

X John O. Marion JOHN O. MARION

X Margaret R. Marion MARGARET R. MARION

REGISTER OF DEEDS WASHTENAW COUNTY MICHIGAN 4:46 PM FEB 8 82

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FEB 8 4 46 PM 1982

REGISTER OF DEEDS WASHTENAW COUNTY MICHIGAN

FEB 8 1982

LIBER 1 PAGE

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L. NW 1/4 Sec 10 - 64
SW 1/4 Sec 10 - 66
SW 1/4 Sec 10 - 88b

SW 1/4 Sec 10 - 88b, 88c, 88d

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of Section 10 Township 4 SOUTH Range 5 EAST and containing 141.53 acres, more or less.

It is agreed that this lease shall remain in force for a primary term of Five (5) years from this date and if lessee shall commence to drill within said primary term or any extension thereof, the said lessee shall have the right to continue drilling to completion with reasonable diligence and said term shall extend as long thereafter as oil and gas, or either of them, is produced by lessee from said land or from a communitized unit as hereinafter provided.

In consideration of the premises the lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, into tank reservoirs or into the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor one-eighth (1/8) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8), payable monthly at the prevailing market rate for gas. Where such gas is not sold or used for a period of one year, lessee shall pay or tender as royalty an amount equal to the yearly delay rental as provided by the provisions of this lease, payable annually at the end of each year during which such gas is not sold or used, and while such royalty is so paid or tendered this lease shall be held as a producing property under the above paragraph setting forth the primary term hereof. Lessor is to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling on said land during the same time, by making lessor's own connections with the well at lessor's own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, payable monthly at the prevailing market rate at the mouth of the well.

If no well be commenced on said land on or before the 15th day of DECEMBER 19 82, this lease shall terminate as to both parties, unless the lessee shall on or before that date pay or tender to the lessor or the lessor's credit in the CITIZENS BANK OF SALINE Bank at SALINE, MICHIGAN 48176

or its successors, which shall continue as the depository regardless of changes in ownership of said land, the sum of ONE HUNDRED FORTY ONE AND 53/100ths (\$141.53)

dollars which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. The payment herein referred to may be made in currency, draft, or check at the option of the lessee and the depositing of such currency, draft or check in any postoffice, with sufficient postage and properly addressed to the lessor, or said bank, on or before said last mentioned date, shall be deemed payment as herein provided. In like manner and upon like payments or tenders, the commencement of a well 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, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payments of rentals in the same amount and in the same manner as hereinabove provided. And it is agreed that on the resumption of the payments of rentals as above provided, the last preceding paragraph hereof governing the payment of rentals and the effect thereof shall continue in force as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire undivided fee simple estate therein, then the royalties and rentals therein provided for shall be paid the lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon except water from the wells of lessor. When requested by lessor, lessee shall bury lessee's pipe line below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. Lessee shall pay for damages caused by lessee's 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.

For the purpose of oil and/or gas development and production under this lease, lessor does hereby grant to lessee the right to pool or communitize said premises, or any part thereof, with other land to comprise an oil development unit of not more than approximately forty (40) acres and/or a gas development unit of not more than approximately one hundred sixty (160) acres, but lessee shall in no event be required to drill more than one well on said unit. If such oil or gas well shall not be drilled on the premises herein leased it shall nevertheless be deemed to be upon the leased premises within the meaning of all the covenants, expressed or implied, in this lease, and lessor shall participate in the one-eighth (1/8) royalty from such oil and/or gas development unit only in the proportion that the number of acres owned by the lessor within the limitations of such development unit bears to the total number of acres included therein. At the option of lessee, a diagonal well spacing pattern may be followed.

Notwithstanding anything to the contrary herein contained or implied by law, all present and future rules and regulations of any governmental agency pertaining to well spacing, use of material and equipment or otherwise shall be binding on the parties hereto with like effect as though incorporated herein at length.

If the estate of either party hereto is assigned—and the privilege of assigning in whole or in part is expressly allowed—the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such defaults shall not operate to defeat or affect this lease insofar as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals.

Whenever any well or wells on said lands shall be used by lessee for the injection of water, brine or other fluids produced from lands other than said leased premises for disposal as a conservation measure, lessee shall pay to the lessor the sum of One Hundred Dollars (\$100.00) per year for each well so used in addition to all other considerations specified in this lease. The injection of water, brine, or other fluids into subsurface strata shall be made only into strata below those furnishing domestic fresh water and lessee agrees to protect adequately lessor's fresh water supply from injury as a result of any of its operations.

If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. Provided, however, if the leased premises consist of two or more non-abutting tracts, this paragraph shall apply separately to each non-abutting tract, and further provided that if a portion of the leased premises is hereafter consolidated with other lands for the purpose of operating the consolidated tract as one lease, this paragraph shall be inoperative as to such portion so consolidated. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

Lessor hereby warrants and agrees to defend the title to said lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payments, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors for themselves and their heirs, successors, and assigns, hereby surrender and release all rights of dower and homestead in the premises herein described, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made as recited herein.

Lessee may at any time surrender this lease as to all or any part of the lands covered thereby, by delivering or mailing a release thereof to the lessor, if lease is not recorded, or by placing a release thereof of record in the proper county, if lease is recorded; and if surrendered only as to a part of said lands, any delay rentals or acreage payments which may thereafter be payable hereunder shall be reduced proportionately.

IN TESTIMONY WHEREOF WE SIGN, This the 17th day of DECEMBER 19 81

Witnesses:

X <u>Arlene Love</u> Arlene Love	X <u>John O. Marion</u> JOHN O. MARION 576-36-1762	(SEAL)
X <u>James C. Marion</u> James C. Marion	X <u>Margaret R. Marion</u> MARGARET R. MARION	(SEAL)

STATE OF MICHIGAN COUNTY OF WASHTENAW SS. ACKNOWLEDGMENT TO THE LEASE

On this 17th day of DECEMBER A.D. 19 81 before me, the undersigned, a Notary Public in and for said county, in the State aforesaid, personally appeared JOHN O. MARION AND MARGARET R. MARION, husband and wife

to me known as the person S described in and who executed the foregoing instrument and acknowledged that she had executed the same as their free act and deed.
 CHARLES A. LINDEMANN
 Notary Public, Washtenaw County, Mich.
 My Commission Expires April 20, 1982
Charles A. Lindemann
 Notary Public (CHARLES A. LINDEMANN) County: _____
 My Commission Expires _____ 19 _____ Acting in Washtenaw County, _____

STATE OF _____ COUNTY OF _____ SS. ACKNOWLEDGMENT TO THE LEASE

On this _____ day of _____ A.D. 19 _____ before me, the undersigned, a Notary Public in and for said county, in the State aforesaid, personally appeared _____

to me known as the person _____ described in and who executed the foregoing instrument and acknowledged that he had executed the same as _____ free act and deed.
 Notary Public _____ County: _____
 My Commission Expires _____ 19 _____ Acting in _____ County, _____

This form was prepared by DAVID C. PETERS of P. O. BOX 6621, TULSA, OK, 74156

Book 4 March

OIL AND GAS LEASE

FROM _____ TO _____

Dated 17 19 81

Section _____ Township _____ Range _____

No. Acres _____ County, _____

Term _____

This instrument was filed for record on the _____ day of _____ 19 _____ at _____ o'clock _____ in Book _____ Page _____ of the records of this office.

By _____ Register of Deeds
 _____ Deputy

When Recorded Return to _____

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WASHTENAW COUNTY, MICHIGAN

REGISTRAR OF DEEDS

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