

Form 86 - (Prod. Pooling) (Oklahoma) (640 Statute) (Revised 1983) SD - NPG - BL Royalty
SURRENDERS Legal Form - 2000

OIL AND GAS LEASE (PMD-UP)

AGREEMENT: Made and entered into this

by and between:

(ther one or more)

and Arkla Exploration Company, party of the second part, hereinafter called lessee.

WITNESSETH That the said lessor, for and in consideration of Ten and More 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, demise, lease and let unto the said lessor, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate) gas (including casinghead gas and helium and all other constituents) and for laying pipe lines, and building tanks, powers, stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Pittsburg

State of Oklahoma described as follows, to-wit: Lot 1 and Southeast 10.00 acres of Lot 2 and

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of Section 3, Township 6 North, Range 13 East, and containing 130.00 acres, more or less.

It is agreed that this lease shall remain in force for a term of three (3) years from March 16, 1982 (which is the primary term) and as long thereafter as oil or gas or either of them is produced from said land by the lessee.

In consideration of the premises the said lessor covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which it may connect its wells, the 3/16 part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2nd. To pay lessor for gas of whatever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, 3/16 of the gross proceeds received from the sale of the gas said and off the premises, or in the manufacture of products therefrom, but in no event more than 3/16 of the actual amount received by the lessee, said payment to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being sold or used, and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing head gasoline or dry commercial gas, 3/16 of the gross proceeds, at the mouth of the well, received by lessee for the gas during the time such gas shall be used, said payments to be made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the lessor only in the proportion which his 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 its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury its pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for all damages caused by its 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.

If the estate of either part 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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the lessors above named may not join in the execution hereof. The word "Lessor," as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment any mortgages, 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.

IN TESTIMONY WHEREOF, we sign this the 28th day of January, 1982

0598316

894-1047-27

STATE OF

County of

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the
personally appeared

personally known to me to be the identical person, who executed the within and foregoing instrument, and acknowledged to me that they
executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires

10-31-83

(ACKNOWLEDGMENT FOR INDIVIDUAL)

STATE OF OKLAHOMA,

County of

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____
personally appeared _____

personally known to me to be the identical person, who executed the within and foregoing instrument, and acknowledged to me that
executed the same as _____ free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires

Notary Public

STATE OF OKLAHOMA,

County of

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____
personally appeared _____

personally known to me to be the identical person, who executed the within and foregoing instrument, and acknowledged to me that
executed the same as _____ free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires

Notary Public

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Oil and Gas Lease

STATE OF OKLAHOMA, PITTSBURG CO.

I hereby certify that this instrument was filed

for record in my office on FEB 24 1982

and is duly recorded in Book 532 page 375

MILDRED HYDE, County Clerk

By *Mildred Hyde* Deputy

Date _____ 19____

Section _____ Range _____

Township _____ County, Oklahoma

No. of Acres _____

STATE OF OKLAHOMA

County of

This instrument is filed for record on _____ day

of _____

IN WITNESS

Whereof _____

in book _____

recited of this office.

County Clerk

By _____

Deputy

Record and Mail 191

Public Law Co

Buckhart Printing & Stationery Co., Tulsa, Okla.

Note: Oklahoma Statutes require Notaries to have their seal and post office in the State.

STATE OF OKLAHOMA,

County of

(ACKNOWLEDGMENT FOR CORPORATION)

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

to me known to be the identical person, who subscribed the name of the maker thereof to the foregoing instrument as its
and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed and as the free and voluntary
act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires

Notary Public

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