

the Grantor, or as in the status of the fee owners of the land and minerals, or as the fee owners of any portion of said land, shall operate and develop the minerals therein, Grantee herein shall own and be entitled to receive as a free royalty hereunder, (1) An undivided one four-hundredth (1/400) of all the oil produced and saved from the premises delivered to Grantee's credit free of cost in the pipe line, (2) an undivided one four-hundredth (1/400th) interest and portion of the value or proceeds of the sales of natural gas when and while the same is used or sold off the premises, (3) An undivided one four-hundredth (1/400th) of the net amount of gasoline or other products manufactured from gas or casinghead gas produced from wells situated on the premises, during the term hereof.

TO HAVE AND TO HOLD the above described property and rights, together with all and singular the rights and appurtenances thereto in any wise belonging, unto the said Grantee, and to Grantee's heirs, administrators, executors and assigns, forever; and Grantor does hereby bind themselves, their heirs, administrators, executors and assigns, to warrant and forever defend all and singular the said property and rights unto the said Grantee, and Grantee's heirs, administrators, executors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the following signatures, this the 12th day of March 1937.

(One (1) one dollar Fed. Rev. Stamp)

Ruth B. Ross  
C.L. Ross

THE STATE OF ILLINOIS # BEFORE ME, the undersigned, a Notary Public in and for said County and COUNTY OF DeWITT # State, on this day personally appeared C.L. Ross and Ruth B. Ross, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Ruth B. Ross, wife of the said C.L. Ross, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Ruth B. Ross acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 12th day of March, A.D. 1937.

(Seal) My commission expires January 25, 1938.

C.E. Cope, Notary Public in and  
for DeWitt County, Illinois.

Filed for Record March 17, A.D. 1937 at 8:00 O'clock A.M. #  
Recorded March 19, A.D. 1937 at 3:00 O'clock P.M. # Dick Loney County Clerk

No. 5533

Edna Wallingford et al # OIL, GAS AND MINERAL LEASE, THIS AGREEMENT made this 16th day of To- O. Lease # H. Walter Blumenthal # March, A.D. 1937, between Edna Wallingford, a widow, Roland Wallingford, V.E. Wallingford, Robert Lange and wife Mrs. Robert Lange, Lessor (whether one or more), and H. Walter Blumenthal, Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars and other valuable considerations 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 Waller County, Texas, to-wit:

FIRST TRACT: 7½ acre tract in the JOHN REESE SURVEY, and thus described; BEGINNING at the south west corner of Lot No. 2 in the Rhoda E. Fowler partition in the south boundary of the tract

ken from the said Reese survey at a stake from which a black jack marked B bears W. 7 varas; THENCE N. with W. boundary of Lot No. 2; 1000 varas to the N.W. corner of the same; THENCE W. with the North boundary of said survey 290 varas to the N.E. corner of a hundred acre tract conveyed by Susan Frost to Emely B. Fowler, THENCE South with the East boundary of the same 333-1/3 varas to the south East corner thereof; THENCE West with the south boundary of said tract 160 varas to a stake from which a hickory marked H. bears N. 45 W. 7 varas; THENCE S. 666-2/3 varas to the south line of said tract; THENCE E. with said south line 450 varas to the place of beginning, containing 71-1/4 acres of land, more or less. LESS a tract of 49 ac. conveyed by T. Wallingford to J.B. Fullick et al, reference Vol. 20, p 524.

SECOND TRACT: 27.9 acre tract in the JOHN REESE SURVEY, thus described; BEGINNING on the north boundary of the W.W. Moore's thirty four acre survey off the same tract of land and the south West corner of D.H. Fields survey a stake in the prairie; THENCE East 399.8 varas to a stake in prairie; THENCE North 395.2 varas to stake in prairie; THENCE West 399.8 varas to a stake in the Hempstead road; THENCE South 395.2 varas to the place of beginning, containing 27.9 acres of land, more or less.

THIRD TRACT: 72 acres of land in the JOHN REESE SURVEY, and thus described: BEGINNING at a stake in prairie on W.B.L. of said 1/3 league (John Reese) being the N.W. corner of T.F. Moor's land; THENCE North 500 varas to stake in Hempstead and Conroe road; THENCE up said road N. 53 E. 230 varas to iron stake in road the S.E. corner of J.W. Robertson's 6 acre tract of land in said league; THENCE By said road 1st. N. 61 deg. E. 140 varas; 2. East 390 varas to N.W. corner of T.G. Wallingfords homestead tract; THENCE By West line of said tract 383 varas to S.W. corner of W.W. Moore's N.B. line; THENCE West 167 varas to W.W. Moor's N.W. corner stake in prairie; THENCE S. 1 deg. E. 345 vrs. to S.W. corner of said W.W. MOOR'S 34 acre tract, a stake from which a post oak 15 inches in dia. marked X bears N. 20 deg. E. 4.7 varas distant; THENCE West 345 varas to place of beginning, containing 72 acres of land, more or less.

FOURTH TRACT: 34 acres in the JOHN REESE SURVEY, and thus described; BEGINNING at the southeast corner of D.H. Field 100 acre survey; THENCE East 564 varas to a stake; THENCE North 345 varas to a stake; THENCE West 564 varas to the East boundary line of D.H. FIELD'S 100 acre survey; THENCE South with said line 345 varas to the place of beginning, and containing 34 acres of land more or less.

and containing 156 acres, more or less. In the event a resurvey of said lands shall reveal the existence of excess and/or vacant lands lying adjacent to the lands above described and the lessor, his heirs, or assigns, shall, by virtue of his ownership of the lands above described, have preference right to acquire said excess and/or vacant lands, then in that event this lease shall cover and include all such excesses and/or vacant lands which the lessor, his heirs, or assigns, shall have the preference right to acquire by virtue of his ownership of the lands above described as and when acquired by the lessor; and the lessee shall pay the lessor for such excesses and/or vacant lands at the same rate per acre as the cash consideration paid for the acreage hereinabove mentioned.

Subject to the other provisions herein contained, this lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral produced from said land hereunder.

The royalties to be paid Lessor are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the well or to the credit of Lessor into 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 casing-head gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; where gas from a well producing gas only is not sold or used, Lessee may pay as royalty \$50.00 per well per year, and upon such payment it will be considered that gas is being produced within the meaning of Paragraph 2 hereof; and (c) All other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (50¢) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. 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.

4. If operations for drilling are not commenced on said land on or before one year from this date the 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 Citizens State Bank at Hempstead, 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 One hundred fifty six and no/100 Dollars (\$156.00), (herein called rental), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental may be made by the check or draft of Lessee mailed or delivered to said bank 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. Lessee may at any time execute and deliver to Lessor or to the depository above named or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. In this connection the above described premises shall be treated as comprising 156 acres, whether there be more or less.

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 (60) 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, gas or other mineral is not being produced on said land

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 thirty (30) consecutive days, and if they result in the production of oil, gas or other mineral so long thereafter as oil, gas or other mineral 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 one hundred fifty (150) feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. 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 (200) feet of any residence or barn now on said land without Lessor's consent.

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 the 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 royalties 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.

The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part save as herein expressly provided. If the obligation for reasonable development should require the drilling of a well or wells, Lessee shall have ninety (90) days after ultimate judicial ascertainment of the existence of such obligation within which to begin the drilling of a well, and the only penalty for failure to do so shall be the termination of this lease save as to ten (10) acres for each well being worked and/or being drilled and/or producing oil or gas to be selected by Lessee so that each 10-acre tract will embrace one such well.

Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at option may discharge any tax, mortgage or other lien upon said land and in event Lessee does not it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying the 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 by Lessor shall be reduced proportionately.

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

Edna Wallingford  
Roland Wallingford  
V.E. Wallingford  
Robert Lange  
Mrs. Robert Lange.

STATE OF TEXAS # Before me, the undersigned authority in and for the County of Harris and  
COUNTY OF HARRIS # State of Texas, on this day personally appeared Edna Wallingford, a  
widow and Roland Wallingford known to me to be the persons whose names  
subscribed to the foregoing instrument, and acknowledged to me that they executed the same