

OIL AND GAS LEASE

Form G&T (81)

THIS LEASE, made and entered into this 6th day of MAY, 1982, by and between

MARTIN FAMILY TRUST (TRUSTEE CARRIE ANN MARTIN)

of 5883 HORNING RD HENT, OHIO 44240, hereinafter called the Lessor, and

BECK OIL & GAS CO., Box 1616, East Canton, OH 44730

hereinafter called the Lessee, WITNESSETH:

1. That the Lessor, for and in consideration of One Dollar (\$1.00) and other valuable consideration in hand paid by the Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby lease and let exclusively unto the Lessee, for the purpose of drilling, operating for, producing and removing oil and gas and all the constituents thereof, and to transport by pipelines or otherwise across and through said lands, gas and their constituents from the subject and other lands, regardless of the source of such gas or the location of the wells and of placing tanks, equipment, roads and structures thereon to procure and operate for the said products, all that certain tract of land situated in

FRANKLIN

Township.

(Lot No.) 78 & 67, in PORTAGE County, OHIO, bounded substantially as follows:

North by lands of DR MULLA

East by lands of BEACHWOOD ISLAND ESTATES TWINLAKES PARK ALLOT

South by lands of HOLLANDER & FERRARA & SMALL TRACTS

West by lands of FERGUSON RD

being all the property owned by Lessor or to which the Lessor may have any rights in Section/Lot 78 & 67 of FRANKLIN Township, containing 61.27 acres, more or less.

2. No well shall be drilled within 200 feet of the present buildings unless both parties consent thereto.

3. This lease shall continue in force and the rights granted hereunder be quietly enjoyed by the Lessee for a term of THREE YEARS FROM 7/30/82 years and so much longer thereafter as oil or gas or their constituents shall be found on the premises in paying quantities in the judgment of the Lessee or as the premises shall be operated by the Lessee in the search for oil or gas.

4. This lease, however, shall become null and void and all rights of either party hereunder shall cease and terminate unless, within 3 months from the date

hereof, a well shall be commenced on the premises, or unless the Lessee shall thereafter pay a delay rental of ONE HUNDRED EIGHTY SIX + 00 -- Dollars each year, payments to be made quarterly until the commencement of a well. A well shall be deemed commenced when preparations for drilling have been commenced.

5. In consideration of the premises the Lessee covenants and agrees: (A) To deliver to the credit of the Lessor in tanks or pipelines, as royalty, free of cost, the equal one-eighth (1/8) part of all oil produced and saved from the premises, or at Lessee's option to pay Lessor the market price for such one-eighth (1/8) royalty oil at the published rate for oil of like grade and gravity prevailing on the date such oil is run into tanks or pipelines; (B) To pay to the Lessor, as royalty for the gas marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the wellhead price paid to Lessee per thousand cubic feet of such gas so marketed and used, measured in accordance with Boyle's Law for the measurement of gas at varying pressures, on the basis of 10 ounces above 14.73 pounds atmospheric pressure, at a standard base temperature of 60° Fahrenheit and stipulated flowing temperature of 60° Fahrenheit, without allowance for temperature and barometric variations; payments of royalty for gas marketed during any calendar month to be on or about the 30th day of the following month. (C) Lessee to deduct from payments in (A) and (B) above Lessor's prorata share of any severance (excise) tax imposed by any government body. (D) In the event Lessee does not sell the gas to others, Lessor shall be paid on the basis of the lowest field market price paid by any public utility in the state at the well head for gas of like kind and quality, and on the same basis that such utility would pay for such gas, including any escalation in price that such utility would pay for such gas as if a contract for the sale of same had been entered into at the time of initial production.

6. All money due under this lease shall be paid or tendered to the Lessor by check made payable to the order of and mailed to

LESSOR NAMED ABOVE at THE ABOVE ADDRESS

, and the said named person shall continue as Lessor's agent to receive any and all sums payable under this lease regardless of changes in ownership in the premises, or in the oil or gas of their constituents, or in the rentals or royalties accruing hereunder until delivery to the Lessee of notice of change of ownership as hereinafter provided.

7. The Lessor may, at Lessor's sole risk and cost, lay a pipeline to any one gas well on the premises, and take gas produced from said well for domestic use in one dwelling house on the leased premises, at Lessor's own risk, subject to the use and the right of abandonment of the well by the Lessee. The first two hundred thousand cubic feet of gas taken each year shall be free of cost, but all gas in excess of two hundred thousand cubic feet of gas taken in each year shall be paid for at the last published rates of the gas utility in the town or area nearest to the leased premises or the field market rate, whichever is higher. Lessor to lay and maintain the pipeline and furnish regulators and other necessary equipment at Lessor's expense. Lessor shall also, at the request of Lessee, install a meter to measure said gas. This privilege is upon the condition precedent that the Lessor shall subscribe to and be bound by the reasonable rules and regulations of the Lessee relating to the use of free gas, and Lessor shall maintain the said pipeline, regulators and equipment in good repair and free of all gas leaks and operate the same so as not to cause waste or unnecessary leaks of gas. If the Lessor shall take excess gas as aforesaid in any year and fail to pay for the same, the Lessee may deduct payment for such excess gas from any rentals or royalties accruing to the Lessor hereunder. Lessor acknowledges that he has been advised as to the risks inherent in the taking of gas in this manner, and Lessor agrees to assume all such risks whether same be caused by Lessor's lines or equipment, or whether same be caused by Lessee's equipment or well operation; and Lessor agrees to hold Lessee and the well operator and all parties in interest in any well on the leasehold premises harmless from any claims or any nature whatsoever which may arise by the usage of gas from any such well by Lessor, his heirs, executors, administrators and assigns. Lessor further agrees that upon the sale or transfer of the leasehold premises wherein someone other than the Lessor is entitled to take the gas under this Paragraph 7, that the gas supply will be terminated by Lessee until the Buyer of the property executes an agreement regarding the usage of the gas in the same form as the within agreement. In the absence of such an agreement free gas under this provision shall terminate, the within right of free gas not being assignable without the consent of the Lessee.

8. In the event a well drilled hereunder is a dry hole and is plugged according to law, this lease shall become null and void and all rights of either party hereunder shall cease and terminate unless within twelve (12) months from the date of the completion of the plugging of such well the Lessee shall commence another well or unless the Lessee after the termination of said twelve month period resumes the payment of delay rental as hereinabove provided.

9. In the event a well drilled hereunder is a producing well and the Lessee is unable to market the production therefrom, or should production cease from a producing well drilled on the premises, or should the Lessee desire to shut in producing wells, the Lessee agrees to pay the Lessor, commencing on the date one year from the completion of such producing well or the cessation of production, or the shutting in of producing wells, a well rental in lieu of royalty and delay rental in the amount and under the terms hereinabove provided for delay rental until production is marketed and sold off the premises or such well is plugged and abandoned according to law. In the event no delay rentals are stated payments hereunder shall be made on the basis of \$1.00 per acre per year.

10. The consideration, land rentals, well rentals or royalties paid and to be paid, as herein provided, are and will be accepted by the Lessor as adequate and full consideration for all the rights herein granted to the Lessee and the further right of drilling or not drilling on the leased premises, whether to offset producing wells on adjacent or adjoining lands or otherwise, as the Lessee may elect.

11. The Lessor hereby grants to the Lessee the right at any time to consolidate the leased premises or any part thereof or strata therein with other lands to form an oil and gas development unit of not more than 160 acres or such larger unit as may be required by state law or regulation for the purpose of drilling a well thereon, but the Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on said development unit whether or not located on the leased premises, shall nevertheless be deemed to be located upon the leased premises within the meaning and for the provisions and covenants of this lease to the same effect as if all the lands comprising said unit were described in and subject to this lease; provided, however, that only the owner of the lands on which such well is located may take gas for use in one dwelling house on such owner's lands in accordance with the provisions of this lease, and provided further that the Lessor agrees to accept, in lieu of the one-eighth (1/8) oil and gas royalty hereinbefore provided, that proportion of such one-eighth (1/8) royalty which the acreage consolidated bears to the total number of acres comprising said development unit. The Lessee shall effect such consolidation by executing a declaration of consolidation with the same formality as this oil and gas lease setting forth the leases or portions thereof consolidated, the royalty distribution and recording the same in the recorder's office at the courthouse in the county in which the leased premises are located and by mailing a copy thereof to the Lessor at the address hereinabove set forth unless the Lessee is furnished with another address. If the well on said development unit shall thereafter be shut in, the well rental for shut-in royalty hereinbefore provided for such use shall be payable to the owners of the parcels of land comprising said unit in the proportion that the acreage of each parcel bears to the entire acreage consolidated.

12. In case the Lessor owns a less interest in the above described premises than the entire and undivided fee simple therein then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears to the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage.

13. No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on the Lessee until after notice to the Lessee either by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of such original instrument or a duly certified copy thereof to the Lessee.

14. The Lessee shall have the right to assign and transfer, as hereinabove set forth, the within lease in whole or in part and Lessor waives notice of any assignment or transfer of the within lease. Failure of payment of rental or royalty on any part shall void this lease as to any other part. Lessor agrees that when and if the within lease is assigned the Lessee herein shall have no further obligations hereunder. The Lessor hereby warrants and agrees to defend the title to the leased premises. The Lessor further grants to the Lessee, for the protection of the Lessee's interest hereunder, the right to pay and satisfy any claim or lien against the Lessor's interest in the premises as herein leased and thereupon to become subrogated to the rights of such claimant or lien holder, and the right to direct payment of all rentals and royalties to apply on the payment of any existing liens on the premises.

15. The Lessee shall bury, when so requested by the Lessor, all pipelines used to conduct oil or gas to, on, through and off the premises and pay all damages to growing crops caused by operations under this lease. Any damages if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the Lessor, one by the Lessee, and the third by the two so appointed, and the award of such three persons shall be final and conclusive. Each party shall pay the cost of their appraiser and shall share the cost of the third appraiser.

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for Extension see Vol. 119 Pg. 830.
for Leasing see Vol. 125 Pg 780
" " " " 125 Pg 782
for Production see Vol. 125 Pg 864
for Gas see Vol. 135 Pg. 521

16. The Lessee shall have the privilege of using sufficient oil, gas and water for operating on the premises and the right at any time during or after the expiration of this lease to remove all pipe, well casing, machinery, equipment or fixtures placed on the premises. The Lessee shall have the right to surrender this lease or any portion thereof by written notice to the Lessor, describing the portion which it elects to surrender, or by returning the lease to the Lessor with the endorsement of surrender thereon. The Lessor shall not be bound to accept the surrender of this lease, any of which shall be a full and legal surrender of this lease as to all of the premises or such portion thereof as the Lessor may elect to accept. The Lessor shall not be bound to accept the surrender of this lease of each and all parties hereto relating in any way to the portion or all the premises indicated on said surrender, and the land rental hereinafter set forth shall be reduced in proportion to the acreage surrendered.

17. In the event the Lessee is unable to perform any of the acts to be performed by the Lessee by reason of force majeure including but limited to acts of God, strikes, riots, and government restrictions including but not limited to restrictions on the use of roads, this lease shall nevertheless remain in full force and effect until the Lessee can perform said act or acts and in no event shall the within lease expire for a period of ninety days after the termination of any force majeure.

18. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of said notice on Lessee. Neither the service of said notice nor the doing of any act by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

19. All covenants and conditions between the parties hereto shall extend to their heirs, personal representatives, successors and assigns and the Lessor hereby warrants and agrees to defend the title to the lands herein described. It is mutually agreed that this instrument contains and expresses all of the agreements and understandings of the parties in regard to the subject matter thereof, and no implied covenant, agreement or obligation shall be read into this agreement or imposed upon the parties or either of them.

IN WITNESS WHEREOF the Lessee have hereunto set their hands.

Signed and Acknowledged in the presence of:

Theroni Simpson Carrie Ann Martin, Trustee Social Security No. 291-42-2311
Shirley Thompson Signature or Tax I.D. No.

STATE OF Ohio }
COUNTY OF Portage } SS.

Individual

Before me, a Notary Public in and for said county and state, personally appeared the above named Carrie Ann Martin, Trustee

who acknowledged to me that she did execute the foregoing instrument and that the same is free act and deed for the purposes therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at

this 6th day of May, 1982.

My Commission Expires:

October 6, 1985

STATE OF _____ }
COUNTY OF _____ } SS.

Before me, a Notary Public in and for said county and state, personally appeared the above named

who acknowledged to me that _____ did execute the foregoing instrument and that the same is free act and deed for the uses and purposes therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at

this _____ day of _____, 19____.

My Commission Expires:

Notary Public
Corporation

STATE OF _____ }
COUNTY OF _____ } SS.

Before me, a Notary Public in and for said county and state, personally appeared _____ and _____

the _____ President and Secretary, respectively, of the above named corporation, who acknowledged to me that they did execute the foregoing instrument for and on behalf of said corporation, pursuant to authority so to do duly conferred on them by the Board of Directors of said corporation, and that the same is the free act and deed of said corporation and of themselves as such officers, for the uses and purposes therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at

this _____ day of _____, 19____.

My Commission Expires:

* THE WELL SITE LOCATION WILL BE BY MUTUAL CONSENT OF LESSOR AND LESSEE. THE TIMING OF THE DRILLING WILL BE BY MUTUAL CONSENT OF THE LESSOR AND LESSEE.
This instrument was prepared by: BECK OIL & GAS CO., Box 1616, East Canton, OH 44730

65844 Acres
OIL AND GAS LEASE

From me To Beck Oil & Gas Co.

Post Office

Date

Terms

Located

Rec'd for Record

Recorded

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INDEXED
5:00

Warren Printing, Alliance, Ohio

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