

# OIL AND GAS LEASE

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THIS AGREEMENT made this 14 day of April 1961 by L. Edwin McClurg and Gladys McClurg, husband and wife, and Ruth V. McClurg, and Leroy McClurg, wife and husband, Township of Andover County of Ashtabula State of Ohio

hereinafter called the lessor (whether one or more) party of the first part and

G. W. McConnell

of Dorset

County of Ashtabula

State of Ohio

hereinafter called the lessee (whether one or more) party of the second part.

## WITNESSETH

1. Lessor in consideration of the sum of One Dollar (\$1.00) cash in hand paid, the receipt whereof is hereby acknowledged in further consideration of the covenants and agreements herein contained on the part of the lessee to be kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee the lands hereinafter described for the exclusive right of drilling and operating wells for oil and gas thereon, and producing and transporting the oil and gas thereon or storing gas thereon, whether said gas may be produced on the leased premises or produced at any other place and brought to the leased premises for storage, together with the right to construct and maintain all pipelines, tanks, structures and telephone lines that lessee may deem necessary or convenient for the production and transportation of oil, gas or water or any one or more of them, from this and any other lands held by lessee under oil and gas lease together with rights of way over said premises, for the purposes aforesaid, said premises being described as follows:

All that certain piece or parcel of land situate in the Township of Andover  
County of Ashtabula State of Ohio  
Bounded on the north by land now or formerly of A. E. and E. C. Sparling

On the east by land now or formerly of Mary E. Gault, et al; Paul Pearl Schultz and Ota McCovier.

On the south by land now or formerly of Encil L. Sparling and Ota McCovier

On the west by land now or formerly of Center-line of State Route 7

And containing 177 acres of land by the same more or less.

2. TO HAVE AND TO HOLD said premises for the purposes aforesaid during the term of ten (10) years from the date hereof, hereinafter called "Primary Term," and as long thereafter as drilling operations for oil and gas are conducted thereon, hereunder, or oil or gas is produced therefrom hereunder, and/or so long as said premises are used for underground storage of gas as herein provided.

3. Lessee agrees to deliver to lessor, in tanks, tank cars or pipe line at the well a royalty of one-eighth (1/8) of all oil produced and saved from the premises and to pay to lessor from the time and while gas is marketed as royalty for all gas produced from the premises the wholesale market value at the well of one-eighth (1/8) of the gas produced or marketed therefrom based on the actual wholesale price paid for gas at the well. All gas produced from said well or wells shall be measured by standard meter in accordance with the practices of the purchasers of said gas and the lessee shall upon the request of the lessor at reasonable intervals deliver to the lessor a statement of said meter readings. All royalty payments hereinabove stated shall be paid at least quarterly, but at the option of the lessee may be paid at shorter intervals. The lessee shall pay the lessor as royalty at the rate of Fifty Dollars (\$50.00) each year, payable quarterly in advance for each gas well where gas is found on the leased premises and the same is not used or sold and marketed and such well shall in the opinion of the lessee be a producing well. Lessee shall also pay to the lessor as rental the sum of Fifty Dollars (\$50.00) per year payable quarterly in advance for each well used for the storage of gas produced off the demised premises for so long as such storage continues.

4. Lessee agrees to commence operations for the drilling of one (1) well on said premises before April 15, 1961 or thereafter to pay to lessor, in advance, a rental at the rate of 15 cents per acre for each three months until one (1) well is commenced or this lease is surrendered. The payment of said rental shall confer the privilege of deferring the commencing of the well for a period of three months from the date and in like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods successively. It is understood and agreed that the consideration first recited herein covers not only the privilege granted to the date when the first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights herein conferred.

5. If, at any time prior to the discovery of oil or gas on said premises during the primary term of this lease, the lessee shall complete the drilling of a dry hole on said premises, such drilling shall constitute complete rental payment for the balance of said primary term as to the per acre cash rental, but if a producing well is later drilled thereon the regular royalty provision shall become effective or the storage fee, paid, whichever is applicable, but lessee shall not be under any obligation to drill an additional well on said premises during remainder of said primary term.

6. If, within the primary term of this lease, all of the wells on the said premises shall cease to be productive the rent shall be considered fully paid for the balance of said primary term as to the per acre cash rental, but if a producing well is later drilled thereon the regular royalty provision shall become effective or the storage fee paid, whichever is applicable, but lessee shall not be under any obligation to drill an additional well during the remainder of said primary term.

7. All payments under this lease may be made in cash or by check or draft payable to the order of Edwin McClurg and sent by United States Mail addressed to 172 To Ruth L. McClurg or such other address as lessee may designate in writing), or in any of said methods to Edwin McClurg

at Edwin McClurg, who is hereby appointed agent for such purpose, or by deposit to the credit of Edwin McClurg in the Edwin McClurg Bank of Edwin McClurg

9. If Lessor owns a less interest in the oil or gas in said land than the entire undivided fee simple estate, then the rental and royalties hereunder shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. If the true acreage of the leased premises shall be found to be less than the number of acres above recited, the rental hereunder shall be reduced proportionately, and the lessor hereby released from payment of rental upon any acreage in excess of the true area of said premises.

10. In case of any controversy or dispute regarding title to said premises or any part thereof, or regarding the ownership of any sum payable hereunder, Lessee shall have the right to withhold and retain all sums payable hereunder which are subject to such controversy or dispute until the final termination of said controversy or dispute and then to distribute the same amount to those lawfully entitled thereto, provided that upon receipt of a bond of indemnity acceptable to Lessee, Lessee may pay all or part of said sums as it may deem advisable and proper.

11. Lessee shall have the right to use free of royalty or any other charge, gas, oil and water from said land for drilling operations on the premises.

12. No well shall be drilled nearer than 300 feet to any house or barn now on said premises without lessor's written consent. Lessee shall pay all damages caused by its operations to growing crops on said land, and when so requested by Lessor, shall bury all pipelines on cultivated portions of said premises, except those used to conduct gas, oil or water to drilling wells.

13. Lessor may lay a line to any gas well on said lands and take gas produced from said well for light and heat in one (1) dwelling house on said land at Lessor's risk, subject to the use and right of abandonment of said well by Lessee. The first 150,000 cubic feet taken in any year shall be free but all gas in excess of 150,000 cubic feet taken in each year shall be paid for by Lessor at the price of Thirty-five cents (35¢) per thousand cubic feet. Lessee shall install and maintain a meter for measurement of gas taken by Lessor. Lessee shall have the right to deduct any amount owed for gas in excess of 150,000 cubic feet in any one year from any moneys owed by Lessee to Lessor if said amount is not paid by Lessor within sixty (60) days after the end of the year in which excess gas was used. Provided, however, that nothing herein contained shall be construed to permit the lessor to take gas from any well used for the storage of gas produced off the premises in accordance with this lease or to withdraw such gas stored on the premises but produced off the premises.

14. The Lessee may at its option consolidate the area to which this lease or any part thereof with other adjacent tracts to form a unit not to exceed five hundred (500) acres for development to the same effect as if said premises, together with others in the area included by said unit, had been jointly leased by the various Lessors to the Lessee as a single undivided tract and in such event the Lessor agrees to accept in lieu of the royalty herebefore recited such proportion of one-eighth (1/8th) of the oil or gas marketed from the unitized area as Lessors acreage included therein bears to the total acreage of the unitized area and the drilling of one well on said unit shall be a compliance with paragraphs 5 and 6 of this lease insofar as the area included in said unit is concerned. The Lessor may have free gas from any well located on the unitized area as is hereinabove provided and Lessor agrees to give free right of way for service lines or all other members of the unit. Provided, that said lines are buried below plow depth if the land owner so desires.

15. Lessee shall have the right at any time and from time to time before or after expiration of this lease to remove all pipelines, machinery, fixtures, equipment and other property placed by it on said premises, including the right to draw and remove casing.

16. This lease shall never be forfeited for failure of Lessee to perform in whole or part any of its express or implied covenants, conditions or obligations until it shall have first have been finally judicially determined that such failure exists, and Lessee shall have been given a reasonable time after such final determination within which to comply with any such covenants, conditions, or obligations.

17. Lessor hereby warrants generally his ownership of the oil and gas in the land hereby leased by him and his right to make the lease and Lessor covenants and agrees to defend the title to the oil and gas in said land.

18. This lease and all the covenants and terms thereof shall extend to and bind the heirs, personal representatives, successors and assigns of the respective parties and the privilege or assigning this lease in whole or in part is expressly allowed but no transfer of ownership of any rights of lessor hereunder shall be binding on Lessee until after Lessee has been furnished with a true copy of the conveyance, or instrument of transfer, together with a memorandum of the post office address of the transferee. If lessor's right hereunder shall be assigned in whole or in part to part or parts of the above described land and the assignee or assignees shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not defeat or affect this lease insofar as it covers a part or parts of said land upon which Lessee or any assignee shall make due payment of rental. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors and administrators of the lessor and his successors in interest.

19. In the event Lessee is rendered unable, in whole or in part, by a force majeure to carry out its obligations under this agreement, other than to make payments of amounts due hereunder, its obligations so far as they are affected by such force majeure shall be suspended during the continuance of any inability so caused. The term "force majeure" as employed herein shall be acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, riots, epidemics, lightning, earthquakes, explosions, accidents or repairs to machinery or pipes, delays of carriers, inability to obtain material or rights of way on reasonable terms, acts of public authorities, or any other causes, whether or not of the same kind as enumerated herein, not within the control of the Lessee and which by the exercise of due diligence Lessee is unable to overcome.

20. Lessee may defer payment of any sum due to Lessor, or to any payee hereunder, until the total sum due to Lessor or to such payee shall equal Ten Dollars (\$10.00) whereupon payment shall promptly be made.

21. At any time or times Lessee shall have the right to surrender this lease as to the whole or any part of the acreage covered by this lease by payment or tender to Lessor, or deposit to Lessor's credit in the bank hereinbefore named of the sum of One Dollar (\$1.00) and all amounts due and payable hereunder to the date of such surrender, and by delivering to Lessor, or recording in the office of the Recorder of such instruments of the County in which the said leased premises or any part thereof are located, an instrument of release and surrender. If a part only of said land is surrendered, the rental hereunder shall thereafter be reduced proportionately according to the number of acres of land surrendered, but whenever this lease is surrendered as to the whole acreage then it shall thereupon become and be void, cancelled and held for naught.

22. The term "gas" as used herein denotes gas in its natural state as produced from the well, including its content of natural gasoline. "Lessor" includes both singular and plural.

23. All expressed or implied covenants of this lease shall be subject to all Federal and State laws, executive orders, rules or regulations and this lease shall not be terminated in whole or in part, nor shall Lessee be held liable in damages, for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, rule or regulation.

24. This lease states the entire contract between the parties and no representation or promise verbal or writ-

No. 11  
**Oil and Gas Lease**

FROM:  
 L. Edwin McClurg,  
 Gladys McClurg,  
 Ruth V. McClurg,  
 W. Leroy McClurg

TO:  
 G. W. McConnell

Date, April 14, 19 61

Term

No. Acres 177

LOCATION

Township Andover

County Ashtabula

Received for Record

April 15, 19 61

at 9:13 A. M. April 17, 19 61

Recorded

In Book 59 Page 99

Paul E. Hakala,

Fee \$3.00

STATE OF **Ohio**  
 COUNTY OF **Ashtabula**

ss.

On this, the **14** day of **April**, 196 **1**, before me, A Notary Public,  
**L. Edwin McClurg, Gladys McClurg, Ruth V. McClurg and W. Leroy McClurg**  
 the undersigned officer, personally appeared **McClurg and W. Leroy McClurg**  
 known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument,  
 and acknowledged that they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

*C. A. Lindsay*

My Commission Expires **3-8-1964**  
 C. A. LINDSAY, Notary Public  
 MY COMMISSION EXPIRES MARCH 8, 1964

STATE OF **Ohio**  
 COUNTY OF **ASHTABULA**

ss.

On this, the **14th** day of **April**, 196 **1**, before me, A Notary Public,  
 the undersigned officer, personally appeared **G. W. McConnell**  
 known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument