



7. As full compensation for the storage rights herein granted, and in lieu of all royalty or other payments due or to become due for the right to produce or the production of gas, oil or other hydrocarbon substances produced therewith from the stratum or strata utilized for gas storage purposes, Lessee agrees to pay Lessor an annual rental of One Dollar (\$1.00) per acre for each acre utilized for such gas storage purposes. In advance, commencing with the date it notifies Lessor that it needs to use any stratum for storage purposes, and for so long thereafter as any such stratum is so utilized, Lessee further agrees to pay Lessor, as liquidated damages for the drilling, operation and maintenance of each well on leased premises which is utilized for storage of gas, as well as for the necessary or useful surface rights and privileges relating thereto, for the entire term of this agreement, the sum of One Hundred Dollars (\$100.00) payable in one sum within three (3) months after each well now existing or hereafter drilled upon leased premises is so utilized. This storage right may be exercised in conjunction with other leases in the general vicinity.

8. Failure to pay or error in paying any rental or other payment due hereunder shall not constitute a ground for forfeiture of this lease and shall not affect Lessee's obligation to make such payment, but Lessee shall not be considered in default on account thereof until Lessor has first given Lessee written notice of the non-payment and Lessee shall have failed for a period of thirty (30) days after receipt of such notice to make payment. Payment or tender of rental or other payment hereunder may be made by check or draft of Lessee delivered or mailed to the authorized depository bank or Lessor (at address last known to Lessee) on or before such date for payment, and the payment or tender will be deemed made when the check or draft is so delivered or mailed. If said named or successor bank for any other bank which may, as hereinafter provided, have been designated as depository should fail or liquidate or for any reason refuse or fail to accept rental, Lessee shall not be held in default for failure to make such payment or tender until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be Lessor's agent.

9. If prior to discovery and production of oil, gas or other mineral on the leased premises or on acreage pooled therewith, Lessee should drill a dry hole or holes thereon or, if after discovery and production of oil, gas or other mineral the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling, deepening, plugging back, or reworking within sixty (60) days thereafter or if it be within the primary term, commences or resumes the payment or tender of delay rentals; or commences operation for drilling, deepening, plugging back, or reworking on or before the delay rental paying date next ensuing after the expiration of sixty (60) days from date of completion of dry hole or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery and production of oil, gas or other mineral on the leased premises or on acreage pooled therewith, Lessee should drill a dry hole thereon, no delay rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on the leased premises or on acreage pooled therewith, but Lessee is then engaged in drilling, deepening, plugging back, or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling, deepening, plugging back, or reworking of any additional well are prosecuted with no cessation of more than sixty (60) 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 the leased premises, or on acreage pooled therewith.

10. Lessee, at any time, and from time to time, may surrender this lease as to all or any part or parts of leased premises by tendering an appropriate instrument of surrender to the Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereupon this lease, and the rights and obligations of the parties hereunder, shall terminate as to the part or parts so surrendered. Upon each surrender as to any part or parts of leased premises the rental and all other payments specified above shall be proportionately reduced on an acreage basis, and Lessee shall have reasonable easements for then existing pipelines or roadways on the lands surrendered for the purpose of continuing operations on the lands retained. Lessee shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, buildings, or other structures placed on said premises, including the right to pull and remove all casing.

11. 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 the oil, gas or other minerals on, in or under any part of the leased premises less than the entire fee simple estate (whether Lessor's interest is herein specified or not and whether or not this lease purports to cover a whole or a fractional interest), then the royalties and delay, shut-in, and storage rentals to be paid Lessor shall be reduced in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Said Lessee shall not be required in any event to increase the delay rental, storage rental, shut-in rental, or the gas or oil royalty payments hereunder by reason of any royalty or interest in said oil or gas that may have been heretofore sold, reserved or conveyed by said Lessor or by his predecessors in title or otherwise; and if the Lessor does not have title to all the oil and gas in the leased premises or to the storage rights herein leased, there shall be refunded such part of all payments made by the Lessee hereunder as shall be proportionate to the outstanding title, and all payments or royalties thereafter to be made shall be reduced in the same proportion.

12. In case of notice of, or an adverse claim to the premises, affecting all or any part of the shut-in rentals, delay rentals, storage rentals, or royalties, Lessee may withhold payment or delivery of the same until their ownership is determined by compromise, or by final decree of a court of competent jurisdiction, and to this end Lessee may file a petition for interpleader.

13. The rights of either party hereunder may be assigned in whole or in part; but no change or division in ownership of the leased premises, delay rentals, shut-in rentals, storage rentals, or royalties or in the status of any party, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change in such ownership or status shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same, in the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to any sum hereunder, Lessee may pay or tender the same to the credit of the deceased or of the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate or, if there be none, evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid, if at any time two or more parties are entitled to or adversely claim any sum payable hereunder, or any part thereof, Lessee may pay or tender the same either jointly to such parties or separately to or each in accordance with his respective ownership thereof. In event of assignment of this lease as to a segregated portion of the leased premises, the delay rentals and shut-in rentals payable hereunder shall be apportionable as between the several lessor owners ratably according to the surface area of each, and the failure to pay delay rentals or shut-in rentals on the one segregated portion of the leased premises shall not affect the rights hereunder of the party holding the other segregated portion hereunder. If six or more parties become entitled to royalty 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.

14. 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 hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have 60 days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on the leased premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per 80 acres of the area retained hereunder and capable of producing oil in paying quantities and more than one well per 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities, plus in each case a tolerance of 10% of the stated area.

15. Lessor hereby expressly relinquishes dower and releases and waives all rights under, and by virtue of the homestead exemption laws of the state wherein leased premises are situated insofar as the same in any way may affect the purpose for which this lease is made.

16. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee for a period of fifteen days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Section. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor(s) along with Lessee's sight draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor(s) shall promptly execute said lease and return same along with the endorsed draft to Lessee's representative or through Lessor(s) bank of record for payment.

17. Should any one or more of the parties named herein as Lessor fail to execute this lease, it shall nevertheless be binding on the party or parties executing the same, and additional parties may execute this lease as Lessor, and this lease shall be binding on each party executing the same notwithstanding that such party is not named herein as Lessor; and all of the provisions of this lease shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors and assigns, and successive successors and assigns.

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

WITNESSES:

Zula L. Kiker

Robert Kiker

(Seal)

State of Tennessee, Greene County Register's Office ROBERT KIKER 415-22-6437 (SS#) or (fax) (D#)

is instrument received at 12:32 O'clock P. M. of the 3. day of ... 1968

(Seal)

ly certified and registered in said office: T. O. A. Book No. 26... 1968

(Seal)

d noted in Book No. ... 21. Page ... 218. Recording Fee ... Paid

(Seal)

(Seal)

COUNTY OF Greene STATE OF Tennessee

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

County, in and for said

County, in the State aforesaid, do hereby certify that Zula L. Kiker, a widow by death, Robert Kiker and Daicie

Kiker, husband and wife,

personally known to me to be the same person s whose name s are

that t he y signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, and desired the

same to be recorded as such.

Given under my hand and Notarial Seal, this 6th day of August, 1968

My commission expires

11-3-79 This Instrument Prepared By: Kiker, Robert

MARVIN CRADDOCK

D O T

(Seal)

A S S I G N M E N T

STATE OF TENNESSEE X  
COUNTY OF GREENE X

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, MARVIN CRADDOCK, he being joined herein by MARGARET A. CRADDOCK, his wife (hereinafter

called Assignors), for and in consideration of \$10.00 cash to us in hand paid by Amoco Production Company, the receipt and sufficiency of which is hereby acknowledged, do hereby sell, assign, grant, transfer and set over unto Amoco Production Company, P. O. Box 3092, Houston, Texas 77001 (hereinafter called Assignee), the oil and gas leases covering the tracts of land described on Exhibit "A" attached hereto and incorporated herein with the same effect as if fully described herein, together with all personal property, machinery and equipment located thereon, all leaseholds and other rights, titles and interests that Assignors have in and to said land by virtue of said oil and gas leases and all rights, titles and interests purported to be created thereby.

Assignors do not warrant title to the said described oil and gas leases, or to the lands covered thereby, but Assignors hereby covenant with the said Assignee that they have not conveyed away, assigned or disposed of any interest in said oil and gas leases insofar as they cover the above described lands. Assignors hereby release and waive all rights under and by virtue of the Homestead and Exemption laws of the State of TENNESSEE, and hereby expressly relinquish dower and curtesy rights of said State with respect to those tracts of land described on said Exhibit "A".

EXECUTED, this 14th day of July, A.D. 1980.

(SEAL)

MARVIN CRADDOCK

(SEAL)

MARGARET A. CRADDOCK

STATE OF ILLINOIS

COUNTY OF RICHLAND

SS:

ACKNOWLEDGMENT

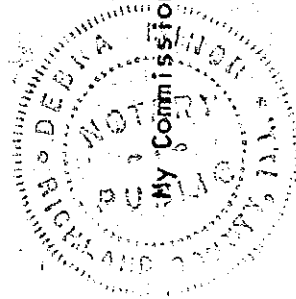
I, DEBRA MINOR, a Notary Public, in and for said County,

in the State aforesaid, do hereby certify that MARVIN CRADDOCK and MARGARET

A. CRADDOCK, husband and wife,

personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and deed, for the uses and purposes herein set forth, including the release and waiver of the right of homestead and dower.

Given under my hand and Seal, this 14th day of July, A.D. 1980.



Debra Minor  
Notary Public

DEBRA MINOR

My Commission Expires July 22, 1982  
THIS INSTRUMENT PREPARED BY

Richard A. Wilson

Amoco Production Company

P. O. Box 3092

Houston, Texas 77001