

OIL AND GAS LEASE

Agreement, Made and entered into the 29th day of December, 1953
by and between Oscar C Marion and Oliva Marion his wife.

of R. 1 Saline Michigan, hereinafter called Lessor (whether one or more) and SUN OIL COMPANY, a corporation, 240 Huron Street, Toledo 4, Ohio, its successors and assigns, hereinafter called Lessee.

WITNESSETH: That said Lessor, for and in consideration of One Hundred Eighty & NO/100 Dollars, cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the 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 Lessee, its successors and assigns exclusively, for the purpose of exploring, mining and operating for, producing, removing and disposing of oil and gas thereon and therefrom, and of laying pipe lines and of building and maintaining roadways and constructing telephone and telegraph lines, tanks, power house stations, laying and maintaining power rod lines, gasoline plants and fixtures for producing, treating and caring for such production, including the right to inject water, brine and other fluids, and gas and air in the subsurface strata, and any and all other rights and privileges necessary, incident to or convenient for the economical operation of said land, alone or jointly with neighboring lands, for producing, removing or disposing of such oil and gas, all that certain tract

of land situated in the Township of Saline County of Washtenaw State of Michigan, and described as follows, to wit:

The West Half (W $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) also the West Half (W $\frac{1}{2}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section 10. Also the North Twenty (20) acres of the West Half (W $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 15 Township 4 South Range 5 East.

containing 180 acres, more or less.

Subject to the further provisions hereof, this lease shall continue in force and effect for a term of ten years from this date, hereinafter referred to as the primary term, and so long thereafter as oil or gas is produced from said land or from any land with which the land herein leased, or any part thereof, may be unitized as hereinafter provided, and so long after the primary term as operations for the drilling of a well on the lands herein leased, or on land with which the leased premises or a part thereof may be unitized are continued with due diligence, and if production results therefrom then as long as production continues.

If operations for the drilling of a well are not commenced on the land herein leased, or on the unit of which the land herein leased or a part thereof may be a part, on or before the 29th day of

December, 1954, this lease shall terminate as to both parties unless the Lessee shall on or before that date pay or tender to the Lessor the sum of One Hundred Eighty & NO/100

Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for Twelve months from said date. The payment herein referred to may be made in currency, check, or draft at the option of the Lessee and the depositing of such currency, check, or draft in any post office, with sufficient postage and properly addressed to the Lessor, or to the person or depository designated below to receive said rentals, on or before said last mentioned date, shall be deemed payment as herein provided. In like manner and upon subsequent like payments or tenders, the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period

as aforesaid and any and all other rights conferred. All rentals referred to herein may be paid to

Oscar C Marion personally or by check or draft mailed to

R. 1 Saline State of Michigan. Notwithstanding the death of the Lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

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

1st. To deliver to the credit of Lessor, free of cost, into tank reservoirs or into the pipe line to which Lessee may connect wells on said land, the equal one-eighth ($\frac{1}{8}$) part of all oil produced and saved from the leased premises; or Lessee at its option, may pay to the Lessor for such one-eighth ($\frac{1}{8}$) royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into tank reservoirs.



2nd. To pay Lessor one-eighth ($\frac{1}{8}$) of the gross proceeds payable each month for the gas from each gas or oil well which produces gas while the same is being sold off the premises; and if gas is used by the Lessee in the manufacture of gasoline, Lessee will pay Lessor monthly for one-eighth ($\frac{1}{8}$) of the gas so used at the prevailing market value for gas at the mouth of the well. Where gas from a gas well is not sold or used by Lessee, Lessee may pay as royalty One Hundred Dollars (\$100.00) per well per year, and if such payment is made it will be considered that gas is being produced within the meaning of this lease; and said payment shall be apportioned among the various gas royalty owners in accordance with each such owner's interest in the gas development unit. Lessor herein may have gas, free of cost, from any producing well, while gas therefrom is being sold off the premises or is used by Lessee in the manufacture of gasoline, for all stoves and all inside lights in the principal dwelling on said land during the same time, by making his own connections with the well at his own risk and expense; provided, however, that the Lessor herein has at that time at least a one-fourth ($\frac{1}{4}$) royalty interest in the oil or gas development unit.

Lessee shall have the right as to all or any part or parts of the land herein leased to unitize, pool and combine the same with other lands or leases covering lands in the same general area as the leased premises, by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate or estates in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests, or any of them, one or more oil development units, each of which shall comprise not more than approximately forty (40) acres, or one or more gas development units, each of which shall comprise not more than approximately one hundred sixty (160) acres. Such development unit or units shall be developed and operated as though such lands and interests were all included within the terms hereof and constituted a single oil, gas and mineral lease. All rights and privileges herein granted shall extend to the lands and interests with which all or any part of the leased premises may be so unitized. All production from such development unit shall be divided and allocated on an acreage basis to all lands included in the particular development unit. In the event any such development unit or units are created by Lessee, Lessee shall, within a reasonable time thereafter, file with the Register of Deeds in and for the County in which said lands or part thereof are situated, a written statement designating and describing the lands and interests so unitized. In the event production of oil and/or gas is had or obtained upon any development unit which includes all or any part of the lands herein leased, the royalties payable hereunder by Lessee to Lessor and specified hereinabove shall be computed and based upon the production allocated on an acreage basis to that part of the leased premises included in such development unit, as hereinabove provided. As to that part of the leased premises which may be so included in a development unit the aforesaid royalties and payments on the allocated production shall be in lieu of any other royalties and payments which would otherwise become due Lessor under the terms hereof on account of any production from that part of the leased premises which may be so included in a development unit. Lessee shall not be obligated to drill any offset wells upon the leased premises to offset wells drilled upon any development unit which includes any part of the leased premises. The commencement of operations for the drilling of a well and the completion of a well for production and the production of oil and/or gas therefrom on any portion of any such development unit in which all or any part of the land described herein is embraced, shall have the same effect as though a well had been commenced or completed on the land herein described or production obtained under the terms hereof. The provisions hereof shall be construed as covenants running with the land. Lessee shall not be liable to any party for the reduction of the acreage content of any development unit resulting from any cause beyond the control of Lessee, nor shall Lessee be obligated to make any retroactive apportionment of royalties or sums paid on production should the acreage content of any such development unit be so reduced.

Should the first well drilled on the above described land or on a unit of which the land herein leased or a part thereof may be a part be a dry hole, then, and in that event, if a second well is not commenced on said land, or on a unit of which the land herein leased, or a part thereof, may be a part within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the Lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that on the resumption of the payment of rentals as above provided, the ~~second~~ preceding paragraph hereof governing the payments of rentals and the effect thereof shall continue in force just as though there had been no interruption in the rental payments, and if the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion 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 primary term hereof.

If, within the primary term of this lease, production on the leased premises, or on a unit of which the land herein leased or a part thereof may be a part, shall cease for any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced on or before the next ensuing rental paying date; or, provided Lessee begins or resumes the payment of rentals in the manner and amount hereinabove provided. If, after the expiration of the primary term of this lease, production on the leased premises, or on a unit of which the land herein leased or a part thereof may be a part, shall cease for any cause, this lease shall not terminate provided Lessee resumes operations within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

In the interest of conservation; the protection of reservoir pressures and the recovery of the greatest ultimate yield of oil, gas and other mineral, Lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises. Likewise, salt water disposal facilities may be located and maintained upon the leased premises regardless of whether or not such facilities are used exclusively for production purposes from the lands herein leased or from other lands and for the last mentioned purpose Lessee may inject water, brine and other fluids into sub-surface strata in and under the leased premises.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said Lessor only in the proportion which Lessor's 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 Lessee's operations thereon except gas used by Lessee in manufacture of gasoline and except water from the wells of the Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe-lines below plow depth.

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

Lessee shall pay for damages caused by Lessee's 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.

RECEIVED

If the estate of either party hereto is assigned—and the privilege of assigning in whole or in part is expressly allowed—the provisions hereof shall extend to their heirs, executors, administrators, successors, or assigns, but no change in the ownership of the land or assignments of rental or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a certified copy thereof, and it is hereby agreed that no change or division in the ownership of said land however accomplished shall operate to enlarge the obligations or to diminish the rights of the Lessee: and if ten or more parties other than the original Lessor become entitled to royalty hereunder, Lessee may withhold payment of royalty to such parties unless and until furnished with a recordable instrument executed by all of such parties designating an agent to receive payment for them, and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rental due from them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payment of said rental, and this lease shall never be forfeited for non-payment of any rental due until after at least ten days' written notice by registered mail or in person shall have been given the Lessee or its assigns.

Lessee may at any time surrender this lease as to all or any part of the lands covered thereby, by delivering or mailing a release thereof to the Lessor, or by placing a release or discharge thereof of record in the proper county, and if surrendered only as to a part of said lands, any delay rentals or acreage payments which may thereafter be payable hereunder shall be reduced proportionately.

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 and be subrogated to the rights of the holder thereof and may thereupon, in addition to the usual remedies, retain a sufficient amount of the rentals or royalties at any time payable hereunder to reimburse the Lessee for such payment, and the undersigned Lessors, for themselves and their heirs, successors, and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

WITNESSES:

Wallace G. Johnson

 Wallace G. Johnson

Oscar C. Marion (Seal)

 Oscar C. Marion

John A. Wirth

 John A. Wirth

Oliva Marion (Seal)

 Oliva Marion

_____ (Seal)

_____ (Seal)

_____ (Seal)

SUN OIL COMPANY (Seal)

_____ (Seal)

BY *Geo. W. Myers* (Seal)

 GEO. W. MYERS, AGENT

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

STATE OF MICHIGAN
Washtenaw County } ss.

On this 29th day of December in the year one thousand nine hundred and 53

before me, a Notary Public in and for said county, personally appeared Oscar C. Marion and Oliva Marion to me known to be the same person^S described in and who executed the within instrument, who severally acknowledged the same to be their free act and deed.

Wallace G. Johnson
Wallace G. Johnson

Notary Public Clare County, Mich.
Acting in Washtenaw Co., Mich.

My commission expires April 11, 1956

STATE OF MICHIGAN
County } ss.

On this _____ day of _____ in the year one thousand nine hundred and _____

before me, a Notary Public in and for said county, personally appeared _____ to me known to be the same person _____ described in and who executed the within instrument, who _____ acknowledged the same to be _____ free act and deed.

Notary Public _____ County, Mich.

My commission expires _____

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29102

OIL and GAS LEASE

FROM

Oscar C. Marion and Oliva Marion, husband and wife

TO

SUN OIL COMPANY
240 HURON STREET
TOLEDO 4, OHIO

Date December 29, 19 53
Location Sec. 10 & 15, T4S, R5E
Saline Township
Washtenaw County
Acres ---180---

STATE OF MICHIGAN } ss.
County _____

I hereby certify that the foregoing instrument of writing was filed for record on the _____ day of _____ A. D. 19 _____

THOMAS A. FITZGERALD
REGISTER OF DEEDS
MICHIGAN COUNTY, MICH.
recorded in Vol. _____
Feb 2 9 05 AM '54

RECEIVED
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REG. 2
Form Rev. 531

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FEB 2 9 05 AM '54
FOR RECORD
840
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