

See assignment recorded Jan 13 1987 in DB 2716 pg 384

Nov 23 1998
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DBV 3565 PAGE 534

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OIL and GAS LEASE.

This AGREEMENT, made and entered into the 2nd day of December, A. D. 1941.,

Between ISABELLA RUFF, widow, of the City of Jeannette, County of Westmoreland and State of Pennsylvania, party of the first part, hereinafter called the "LESSOR",

And JOHN M. O'CONNELL, of the same place, party of the second part, hereinafter called the "LESSEE".

WHEREAS, the lessor is the owner of the following described real estate which is supposed to contain in and have underlying the surface thereof OIL and GAS, namely:

ALL that certain tract of land situated in the Township of Hempfield, County of Westmoreland and State of Pennsylvania, containing six and six hundred thirty nine thousandths (6.639) acres, be the same more or less, subject to certain reserved coal and mining rights and privileges, as particularly described and appears in a certain deed from John A. Matthews, et ux., to Frank S. Ruff, and Isabella Ruff, his wife, the lessor, dated November 26, 1923 and as recorded in the Recorder's Office of said County of Westmoreland in Deed Book Vol. 772 page 354, and as also particularly described and appears in a certain deed from John S. Best, et ux., and John C. Lowe, widower, to Frank S. Ruff, and Isabella Ruff, his wife, the lessor, dated July 10, 1924 and as recorded in the aforesaid Recorder's Office in Deed Book Vol. 790 page 122; and whereas the said Frank S. Ruff departed this life or died on September 30, 1927, the whole of the same, by the laws of the State of Pennsylvania relating to Estates by Entireties, became vested in fee by right of survivorship in the said Isabella Ruff, the lessor.

WHEREAS, the lessor is also the owner of the following described real estate which is supposed to contain in and have underlying the surface thereof OIL and GAS, namely:

ALL that certain tract of land situated in the Township of Hempfield, County of Westmoreland and State of Pennsylvania, containing eighty and eleven one hundredths (80.11) acres, be the same more or less, being the remaining portion of a larger tract of land as particularly described and appears in a certain deed from Frank S. Ruff, Jr., et ux., to Isabella Ruff, the lessor, dated March 1, 1933 and as recorded in the Recorder's Office of said County of Westmoreland in Deed Book Vol. 945 page 325.

WHEREAS, the lessor also has, holds and owns title in and to all the OIL and GAS that is or may be contained in and underlying the surface of the following described real estate, namely:

ALL that certain tract of land situated in the Township of Hempfield, County of Westmoreland and State of Pennsylvania, containing ten (10) acres, be the same more or less, together with the oil and gas drilling rights and operating privileges, and subject to the conditions, as particularly described and appears in a certain deed from Frank S. Ruff, et ux., to Oliver L. Dillon, dated August 7, 1909, as recorded in the Recorder's Office of said County of Westmoreland in Deed Book Vol. 460 page 228.

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July 18 2000
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DBV 3775 PAGE 406

Oct 11 1996
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DBV 3454 PAGE 23

Oct 16 1997
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DBV 3544 PAGES 469 & 469

Sept 11 1998
SEE INSTRUMENT RECORDED IN
DBV 3557 PAGES 18 & 66 +
37 & 46 & 50 & 54 & 22

Feb 19 1998
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DBV 3558 PAGE 182

See Deed recorded June 24 1986 in DB 2675 Page 581 See Deed recorded July 9 1986 in DB 2677 pages 53, 56, 60, 69, & 64
See Deed recorded June 26 1986 in DB 2676 Page 172 & 179 See Deed recorded Aug 18 1986 in DB 2687 pg 109
See Deed recorded June 19 1986 in DB 2674 pg 778 See Deed recorded Oct 6 1986 in DB 2677 pg 136
See Deed recorded June 25 1990 in DB 2554 Page 409
See Deed recorded May 29 1986 in DB 2670 Page 234 See Deed recorded May 5 1986 in DB 2655 Page 325

ALSO ALL that certain tract of land situated in the Township of Hempfield, County of Westmoreland and State of Pennsylvania, containing twenty two and one hundred sixty four thousandths (22.164) acres, be the same more or less, together with the oil and gas drilling rights and operating privileges, and subject to the conditions, as particularly described and appears in a certain deed from Frank S. Ruff, et ux., to Peter Hawk and Anna Hawk, his wife, dated October 7, 1912, as recorded in the Recorder's Office of said County of Westmoreland in Deed Book Vol. 518 page 173.

AND ALSO ALL that certain tract of land situated in the Township of Hempfield, County of Westmoreland and State of Pennsylvania, containing seven and eight hundred fifty five thousandths (7.855) acres, be the same more or less, provided however that no well for oil or gas shall be drilled thereon without the consent of the title holder of the said real estate, as particularly described and appears in a certain deed from Frank R. Ruff, et ux., to John A. Matthews and Nora Matthews, his wife, dated November 26, 1923, as recorded in the Recorder's Office of said County of Westmoreland in Deed Book Vol. 762 page 538.

The Real Estate Second mentioned, and the Oil and Gas contained in and underlying the Real Estate Third, Fourth and Fifth mentioned, being the same real estate and oil and gas which Frank S. Ruff, in his lifetime being seized thereof, departed this life or died on September 30, 1927, having first made and published his last will and testament in writing bearing date December 11, 1923, duly proven December 2, 1927, and recorded in the office of the Register of Wills of said County of Westmoreland in Will Book No. 24 page 219, in which he did provide inter alia as follows: "Sixth. All the rest and residue of my right and property of every claim and nature, whether, real, personal, or mixed, wheresoever the same may be situated at the time of my death, I give, devise and bequeath unto my beloved wife, Isabella, to be held and enjoyed by her during the term of her natural life and immediately at her decease I give, bequeath, and devise the same to my son, Frank S. Ruff, Jr., and his heirs forever, absolutely, in complete and perfect ownership." Wherein and Whereby a life estate in the same became vested in the said Isabella Ruff, the lessor, and a remainder over or reversion of the same became vested in the said Frank S. Ruff, Jr., which said remainder over or reversion of the same the said Frank S. Ruff, Jr., et ux., granted and conveyed unto the said Isabella Ruff, the lessor, so as to vest the entire title thereto in her, by deed dated March 1, 1933 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 945 page 365, in which said deed the chain of title to said real estate and oil and gas is recited. Under and Subject, to a certain Railroad Right of Way on and over four and five hundred ninety eight thousandths (4.598) acres of the said real estate, and the rights, privileges and conditions, which was granted by Samuel P. Ruff, a prior title holder, to the South West Pennsylvania Railway Company, as particularly described and appears in a certain agreement dated December 26, 1882 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 118, page 128. Under and Subject also, to a certain Street Railway Right of Way on and over a thirty (30) feet wide strip of the said real estate, and the rights, privileges and conditions, which was granted by Frank S. Ruff, et ux., and Jennie E. Ruff, et vir., prior title holders, to W. S. Kuhn, as particularly described and appears in a certain agreement dated July 13, 1905 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 410 page 74. Under and Subject also, to certain mining rights, privileges and conditions, and the conveyance of the Salt Works Vein of Coal, underlying and on the said real estate, which were granted and sold by Frank S. Ruff, et ux.,

a prior title holder, to Sloan R. Hall, as particularly described and appears in a certain deed dated October 30, 1917 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 601 page 835. Under and Subject also, to a certain Oil and Gas Pipe Line Right of Way, and the rights, privileges and conditions, on and over the said real estate, which was granted by Frank S. Ruff, et ux., a prior title holder, to the Peoples Natural Gas Company, as particularly described and appears in a certain agreement dated November 8, 1917 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 604 page 550. Under and Subject also, to certain rights, privileges and conditions for coal mining uses and operations on and over a portion of the said real estate, which were granted by Frank S. Ruff, et ux., a prior title holder, to The Premier Fuel Company, as particularly described and appears in a certain deed dated September 29, 1920 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 708 page 98. Under and Subject also, to a certain Right of Way for a railroad siding or switch on and over a part of the said real estate, which was granted by Frank S. Ruff, et ux., a prior title holder, to George E. Nicely, as particularly described and appears in a certain deed dated November 23, 1922 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 723 page 393. Under and Subject also, to a certain grant of option and right of way or easement to erect towers and for the maintenance of lines for transmission of electricity on and over a portion of the said real estate, which was granted by Isabella Ruff, the lessor, to the West Penn Power Company, as particularly described and appears in a certain agreement dated February 4, 1937 as recorded in the aforesaid Recorder's Office in Deed Book Vol. 1002 page 280. And Under and Subject also, to all other rights of ways to erect and maintain electric light, heat and power poles for electric transmission systems, or telephone and telegram systems, and rights, privileges and conditions, on and over the said real estate, as may heretofore been conveyed or granted by instruments of record or as appears of record or on any part or parts of the said real estate.

AND WHEREAS, the lessee is desirous of prospecting, operating, boring and drilling by sinking a well or wells in and upon the said real estate, Under and Subject as aforesaid, for said oil and gas, and of producing and removing the same therefrom.

NOW THIS AGREEMENT WITNESSETH, that for and in consideration of the premises, as well as of the sum of One and no/100 (\$1.00) Dollar cash in hand paid to the lessor by the lessee, the receipt whereof is hereby acknowledged, and for the further consideration of the royalties hereinafter agreed to be paid to the lessor by the lessee, and of the covenants, agreements and conditions hereinafter contained on the part of the lessee to be kept and performed, the lessor does covenant and agree to lease, let and demise, and by these presents has leased, let and demised unto the lessee, ALL the OIL AND GAS which may be found or discovered in and under the surface of the said hereinbefore mentioned real estate during the continuance of this lease.

The lessee shall have the right to enter in and upon and occupy and use so much of the surface of the said hereinbefore mentioned real estate, Under and Subject as aforesaid, as may be reasonably necessary in order to prospect, bore and drill by sinking a well or wells thereon, that is for the sole and only purpose of searching, drilling and operating for and producing and removing said Oil and Gas thereon and therefrom, together with the right to erect, construct and maintain such machinery, tanks, pumps, derricks,

powerhouses, stations, refineries, tramways, pipe lines, cable lines, shackles lines, telephone and telegraph lines, houses or buildings, and any and all other appliances or structures which or as may be necessary or convenient for said purposes, and of storing, using and disposing of any and ALL OIL or GAS found or discovered thereon, and if OIL or GAS is found or discovered thereon shall have the right to use, free of cost, so much OIL or GAS as may be necessary for drilling or operating any well or wells drilled thereon; and also the right to the free use of any water thereon, or may drill therefor, for such drilling and operating purposes, and also the right of ingress, egress and regress into, over, under and upon the said real estate for any of such purposes, Under and Subject as aforesaid; and also the right to remove, at any time while this lease may remain in force and during thirty (30) days after its termination, any and all property, materials and appliances of every description which may be placed or erected in and upon the said real estate by the lessee, including the right to draw and remove the pipe in any well or wells drilled thereon.

TO HAVE AND TO HOLD the same for and during the term of thirty (30) days from the date hereof, and as much longer thereafter as drilling operations for the said OIL or GAS are being conducted on the said real estate by the lessee, and should production result from such operations, this lease shall remain in force as much longer thereafter as OIL or GAS, or either of them, is produced, saved, sold and marketed from the said real estate by the lessee, and while so sold and marketed, and the royalties hereinafter specified shall be well and truly paid by the lessee unto the lessor.

IN CONSIDERATION OF THE PREMISES the lessor and the lessee covenant and agree as follows, to-wit:

The lessee agrees to drill or bore on the said real estate not less than two (2) wells for said OIL or GAS, and shall pay all the expenses of drilling or boring, and operating or working each and every well drilled or bored thereon.

The lessee shall begin actual drilling of a well for said OIL or GAS on some portion of the said real estate, Under and Subject as aforesaid, within thirty (30) days from the date hereof, unavoidable delay or accident excepted, and shall prosecute such operations with due diligence, that is constantly and faithfully, and not merely at intervals, until said well is completed to success or abandonment.

If upon completion of said first well, Oil or Gas shall be found in paying quantities or said well be a dry hole, then and in that event, or either event, the lessee shall begin actual drilling of a second well for said Oil or Gas on some portion of the said real estate, Under and Subject as aforesaid, within sixty (60) days from the completion of said first productive well or dry hole, unavoidable delay or accident excepted, and shall prosecute such operations with due diligence, that is constantly and faithfully, and not merely at intervals, until said second well is completed to success or abandonment.

Should the said first well and the said second well drilled on the said real estate both be dry holes, then and in that event the lessee shall be given one (1) year from the completion of such second dry hole within which to begin actual drilling of a third well for said Oil or Gas on some portion of the said real estate, Under and Subject as aforesaid, unavoidable delay or accident excepted, and if such a third well is commenced, shall prosecute such operations with due diligence, that is constantly and faithfully, and not merely at intervals, until such third well is com-

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pleted to success or abandonment. In the event of the neglect or failure of the lessee to drill said third well as provided for in this paragraph, then such default shall operate as a forfeiture and cancellation of this lease and this lease shall become null and void. This provision, however, shall not apply if the said first well or the said second well drilled on the said real estate, or either one or both of them, is a productive well.

No well shall be drilled nearer than two hundred (200) feet to the house or barn now on the said real estate, without the consent of the lessor.

The lessee agrees to keep a complete and accurate log of each and every well drilled on the said real estate, and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of any unfinished well at any time when requested to do so by the lessor; and the lessor, by herself or agents, shall have the right and privilege at any time to examine the original log or logs so required to be kept and to see at any time how operations are being conducted.

The lessor shall have the right and privilege to fully use and enjoy the said real estate for farming purposes, except such parts or portions thereof as may be used by the lessee for the purposes herein specified.

The lessee agrees to locate any well or wells he may drill on the said real estate so as not to interfere with the cultivated portions of the said real estate, and to bury all pipe lines below plow depth when necessary for the cultivation of crops on said real estate or operate all pipe lines so as not to interfere with the cultivation of the said real estate, and to pay the lessor for all damages caused by his operations to growing crops, fences or trees on the said real estate, and shall, upon abandoning any well or wells, plug the same according to or as required by law.

The lessee agrees to pay all taxes, general or special, upon the Oil or Gas so demised, which may be assessed or become due, either against the said Oil or Gas, or the portion or portions of the said real estate on which each and every well is drilled and the improvements placed thereon, or any personal property at said well or wells, or that may be levied upon any increase of the assessed value of the said real estate over and above the present assessed value thereof, from and after the date hereof, by reason or on account of the operations of the lessee thereon, during the continuance of this lease.

A meter of standard make shall be furnished, installed and maintained by the lessee at each and every well drilled on the said real estate that is and while the same is productive, so as to accurately test and measure or determine the quantities of all the Oil or Gas produced, saved, sold and marketed therefrom and while so sold and marketed therefrom; and the lessor, by herself or agents, shall have the right and privilege to inspect, review and test the correctness of the said meter and quantities, at any time, and in such manner as she or they may see fit to adopt, it being understood that any errors in these respects, when ascertained, shall be recognized and corrected in their accounts.

The lessee agrees to pay to the lessor as royalty the one-fourth ($\frac{1}{4}$) part or share of all the Oil produced and saved from the said real estate, which part or share shall be delivered free of cost or expense to the lessor from the lessee's storage tanks at the well or wells, or for the lessor's credit in the pipe lines of such person or company as may connect his or its pipe lines with said tanks or well or wells, or at the option of the lessor, to pay the lessor for such royalty the cash value thereof, such value to be the market price prevailing in the field the day the Oil is run into storage tanks or the pipe line.

The lessee agrees to pay and deliver to the lessor as royalty, without cost or expense to the lessor, the one-fourth ($\frac{1}{4}$) part or share of all the Gas produced, saved, sold and marketed from the said real estate, that is to say, the one-fourth ($\frac{1}{4}$) part or share of the gas from each and every gas well drilled on the said real estate from which gas is produced, saved, sold and marketed and while so sold and marketed, which part or share shall be delivered free of cost or expense at each and every gas well to the credit of the lessor into the pipe lines of such person or company as may connect his or its pipe lines with said gas well or wells, or to pay to the lessor the one-fourth ($\frac{1}{4}$) of the proceeds derived from the sale of all the Gas produced, saved, sold and marketed from each and every gas well drilled on the said real estate from which Gas is produced, saved, sold and marketed and while so sold and marketed.

The lessee agrees to make full settlement and payment on the first (1st) day of each month for all royalties due the lessor for the preceding month, under this lease, and fifteen (15) days grace shall be allowed on all payments that may become due under the provisions of this lease.

In order to facilitate and insure the just and correct division of said OIL or GAS, accurate books of accounts shall be kept by the lessee, showing the daily or monthly product of each well, and the division and delivery of the same; and the lessor, by herself or agents, shall have the right and privilege at all times to inspect and examine the lessee's books and papers relating to the production and disposition of all OIL or GAS produced, saved, sold and marketed from each and every well drilled on the said real estate, and have free access to every means of ascertaining the works and production of the said Oil or Gas, and delivery of the same. Lessee further agrees to submit to the lessor annually verified reports showing in detail lessee's operations for the preceding year.

IT IS FURTHER AGREED, by and between the lessor and the lessee, that in the event of the failure of the lessee to comply fully with the drilling requirements above set out, or upon failure of the lessee to make any of the payments of the royalties herein specified to be paid, then and in that case it shall be deemed an abandonment of the same, and a relinquishment and forfeiture of all rights under this lease, and this lease shall terminate as to both the lessor and the lessee, and the lessor, without process of or recourse to law, shall have the right and privilege to enter upon and take possession of the said OIL and GAS or real estate herein demised, in as full and ample a manner as if this lease had never been made, time being the essence of this lease; and that in such case, the lessee shall yield and deliver to the lessor quite and peaceable possession of the said OIL and GAS and said real estate in good condition and shall surrender this lease for cancellation, and if the same is recorded, shall execute for entry of record, a release thereof, in substance in the manner hereinafter mentioned. Or the lessor may thereupon declare this lease null and void and of no effect thereafter, and cause a notice to be left or posted on the said real estate, of an intention to determine this lease, and at the expiration of ten days from the time of so leaving or posting such notice, this lease shall absolutely determine; and any attorney of any Court of Record within the United States or elsewhere, may immediately thereafter, as attorney for the lessee and the lessor, sign an agreement for entering, in any competent Court, an amicable action and judgment in ejectment, without any stay of execution, against the lessee and all persons claiming under him, and in favor of the lessor for the recovery by the lessor, of possession of the herein demised OIL and GAS or the said real estate, for which this shall be a sufficient warrant; and thereupon a writ of habere facias possessionem may issue forthwith, without any prior writ or proceeding whatsoever; and the lessee hereby releases to the lessor, all

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errors and defects whatsoever, in entering such action or judgment, or causing such writ of habere facias possessionem to be issued, or in any proceeding thereon or concerning the same, and hereby agrees that no writ of error, or objection or exception shall be made or taken thereto.

AND IT IS ALSO FURTHER AGREED, that the lessee shall have the right and privilege at any time to surrender this lease to the lessor for cancellation, upon the payment of one and no/100 (\$1.00) Dollar, and on the payment of all royalties in arrears and due or claims for damages, if any, whereupon this lease shall become null and void and of no effect whatever, and the lessee shall thereafter be released from all further obligations and liabilities under the terms and provisions hereof, and if this lease is placed upon the record, in the office of the Recorder of Deeds in which the said real estate is situated or elsewhere, then upon such surrender thereof, the lessee shall give to the lessor a proper and duly executed and acknowledged release of this lease and of the said OIL and GAS or the said real estate, together with said payments hereinabove specified, if any, and from said time the lessee shall be released from all further obligations and liabilities under the terms and provisions of this lease.

Each and every covenant, term, condition, limitation, right or liability of this lease herein given to or imposed upon either the lessor or the lessee, shall inure to the benefit of, extend to and be binding upon the heirs, executors, administrators, assigns or successors of the lessor or of the lessee, with the same force and effect as they are herein made binding upon the lessor or the lessee.

IN WITNESS WHEREOF, the lessor and the lessee hereto have interchangeably set and affixed their hands and seals to this lease, together with one other lease of like tenor, and have caused this lease to be executed in duplicate, the day and year first above written.

Signed, sealed and delivered in the presence of:

Isabella Ruff (Seal)
John M. Connell (Seal)
Paul A. DelVitto

ACKNOWLEDGMENT.

State of Pennsylvania,)
: ss:
County of Westmoreland.)

On this, the 2nd day of December, A. D. 1941, before me the undersigned officer, Paul A. DelVitto, a Justice of the Peace in and for the County of Westmoreland and State of Pennsylvania, residing at the Borough of Penn, personally appeared the above named Isabella Ruff, widow, and John M. O'Connell, known to me to be the persons described in and whose names are subscribed to and who executed the foregoing lease, and acknowledged that they executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and seal.

Paul A. DelVitto
PAUL A. DELVITTO, Justice of the Peace
BY COMMISSION EXPIRES

Recorded June 6th, 1955
FIRST MONDAY IN JANUARY, 1942
Jessie S. McCormick, Recorder.