

FD 157  
LB-16 1/8R Con. & Stor.  
THIS LEASE, made and entered into this 22<sup>nd</sup> day of February, 1977, by and between  
Raymond Scott & Kathryn Scott - Husband & Wife  
of RD #1 Baltic 43804 Ohio, hereinafter called the Lessor, and THE EAST OHIO GAS COMPANY, an Ohio

corporation, 1717 East Ninth Street, Cleveland, Ohio 44114, hereinafter called the Lessee, WITNESSETH:  
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 of injecting, storing and holding in storage, and removing gas of any kind (sometimes herein referred to as gas storage purposes), including gas lying thereunder, by pumping through wells or other means, into, in and from any sands, strata or formations lying thereunder, regardless of the source of such gas or the location of the wells or other means of so doing, and of placing tanks, equipment and structures thereon to procure and operate for the said products, and of laying pipe lines thereover to transport the same and for gas storage purposes on other lands, all that certain tract of land situated in Eucks Township, Section No. 4, in Tuscarawas County, Ohio, bounded substantially as follows:

North by lands of Helm's County line  
East by lands of John Scott  
South by lands of Joseph Coblentz  
West by lands of Carl Limbach, L.O. Fly  
being all the property owned by Lessor in Section 4 of Eucks Township, containing 45.50 acres, more or less.

No well shall be drilled within 300 feet of the present buildings unless both parties consent thereto. Five from 5-19-72  
This lease shall continue in force and the rights granted hereunder be quietly enjoyed by the Lessee for a term of twenty years and so much longer thereafter either (1) 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, or (2) as gas shall be injected, stored or held in storage, or removed into, in and from any sands, strata or formations underlying the premises.

This lease, however, shall become null and void and all rights of either party hereunder shall cease and terminate unless, within Three months from the date hereof, a well shall be commenced on the premises or use of the same for gas storage purposes shall be commenced as herein provided, or unless the Lessee shall thereafter pay a delay rental of Fifty Five \$50.00 Dollars each year, payments to be made quarterly until the commencement of a well or of the use of the premises for gas storage purposes.

In consideration of the premises the Lessee covenants and agrees: (A) To deliver to the credit of the Lessor in tanks or pipe lines, as royalty, free of cost, the equal one-eighth (1/8) part of all oil produced and saved from the premises; (B) To pay to the Lessor, as royalty for the gas marketed and used off the premises and produced from each well drilled thereon which is not used for gas storage purposes, the sum of one-eighth (1/8) of 40 Cents 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 14.7 pounds atmospheric pressure, at a standard base temperature of 60° Fahrenheit and a 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 before the 20th day of the following month; (C) To pay to the Lessor the land rental or well rental each year hereinafter provided for the use of the premises for gas storage purposes while the same are being so used.

The Lessee at any time may notify the Lessor in writing at Lessor's last known address, by registered mail, of the Lessee's intention to use any well located on the leased premises and the leased premises for any and all of the purposes hereinbefore provided of injecting, storing or holding in storage, and removing gas into, in and from any sands, strata or formations underlying the premises, and upon the giving of such notice the Lessee may use any such well and the leased premises for any and all of said purposes. The Lessee shall pay to the Lessor a rental of \$200.00 each year for each such well while so used; provided, that the rental for the first year for a well so used shall be equivalent to the one-eighth royalty payments to the Lessor, if more than \$200.00, for gas produced and marketed from such well during the consecutive periods of time aggregating 180 days next preceding the giving of such notice, and for each year thereafter a rental for such well so used equivalent to said first year's rental, if more than \$200.00, reduced each year by the amount of \$200.00 until reduced to \$200.00, and for each year thereafter a rental of \$200.00 for such well so used. If there shall be no well used for gas storage purposes on the leased premises, but if a well used by the Lessee for any of the gas storage purposes hereinbefore specified shall be located on other lands and such well shall be located within one mile of any line of the leased premises, the Lessee may give like written notice to the Lessor of its intention to use the leased premises for any or all of said gas storage purposes, and thereupon may use the leased premises for said purposes and shall be the sole judge as to whether gas is being stored or held in storage within the leased premises. The rental each year for such use shall be the same amount as, but in lieu of, the delay rental hereinbefore provided to be paid to continue this lease in effect until the commencement of a well or of the use of the premises for any of the gas storage purposes and shall have the same effect of continuing this lease in force as though a producing well or a well used for gas storage purposes were drilled on the leased premises, provided, that if a well is thereafter drilled and used for any of the gas storage purposes on the leased premises the rental for such use of the leased premises, in lieu of the foregoing rental, shall be \$200.00 each year for such well and the same sum each year for each additional well so drilled and used. If the Lessee ceases to use a well for gas storage purposes but continues to use the premises for such purposes and there shall be no other well located thereon, the rental for such use shall be the land rental hereinbefore provided. All land rentals and well rentals may be paid by the Lessee in quarter-year installments.

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 Raymond Scott & Kathryn Scott at RD #1 Baltic

P. O. Chillicothe 43804 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 or their constituents, or in the rentals or royalties accruing hereunder until delivery to the Lessee of notice of change of ownership as hereinafter provided.

The Lessor may lay a pipe line to any one gas well on the premises, whether a producing well or a well used for gas storage purposes, 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 Lessee in the town or area nearest the leased premises, Lessor to lay and maintain the pipe line and furnish regulators and other necessary equipment at Lessor's expense. 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 shall maintain the said pipe line, 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.

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 or gas storage wells on adjacent or adjoining lands or otherwise, as the Lessee may elect, regardless of the purposes for which the leased premises are used hereunder.

The Lessor hereby grants to the Lessee the right to consolidate the leased premises with other lands to form an oil and gas development unit of not more than one hundred sixty (160) acres 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 purposes of all 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 1/8 oil and gas royalty hereinbefore provided, that proportion of such 1/8 royalty which the acreage herein leased bears to the total number of acres comprising said development unit. If said development unit shall thereafter be used for gas storage purposes the well rental or land rental 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 such parcel bears to the entire acreage of said unit.

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. 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 or by the receipt of such original instrument or a duly certified copy thereof. If the leased premises at any time should be owned in separate parcels this lease nevertheless shall be treated as an entirety, except that royalties or well rentals as to any producing well or well used for gas storage purposes shall be payable to the owner or owners upon whose respective parcel the well is located, and the drilling or existence of a producing well or well used for gas storage purposes upon any parcel shall have the same effect of continuing this lease in force as to the entire acreage covered hereby as though the premises had not been divided.

The Lessee shall bury, when so requested by the Lessor, all pipe lines used to conduct oil or gas to and off the premises and pay all damage to growing crops caused by operations under this lease; said damage, 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.

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, or by recording the surrender or partial 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 surrender shall indicate, and a cancellation of all liabilities under the same of each and all parties hereto relating in any way to the portion or of the premises indicated on said surrender, and the land rental hereinbefore set forth shall be reduced in proportion to the acreage surrendered.

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 lessors have hereunto set their hands.

Signed and Acknowledged in the Presence of: 7-11-13  
Raymond Scott (Seal)  
Kathryn Scott (Seal)

Richard E. Roberto (Seal)  
5-10-88  
3/23/83 See Lease  
See Lease Vol 136 pg 422  
Vol 117 pg 9  
1-13-89 See Lease  
Vol 138 pg 669

Vol 659 Pg 846  
Vol 117 pg 9  
1-13-89 See Lease  
Vol 138 pg 669

This instrument prepared by The East Ohio Gas Company  
Vol 571 pg 660  
Vol 572 pg 721  
11-19-93  
Vol 150

9-7-92 See Release  
7-9-92 See F.S.  
# 95254  
1-5-17  
SEE LEASE RECORDS  
VOL 131 PAGE 22  
4-12-10  
1328  
Pg 552  
2-11-77  
SEE LEASE RECORD  
VOL 97 PAGE 606

1019-95  
9-17-09  
2-21-02  
Vol 1378  
Pg 1390  
800-7-2  
4-5-6-178  
Vol 1496 Pg 171  
3-15-94  
Vol 690 pg 138  
4-9-77  
1-23-54-3353-1854-1169

STATE OF Ohio }  
 County of Tuscarawas }  
 On this 22nd day of February  
 before me, a Notary Public in and for said County  
 personally appeared the said Raymond Scarce & Kathryn Scarce  
 who acknowledged that they did sign and seal the foregoing instrument and that it is their free act and deed.  
 WITNESS my hand and Notary Public seal, this day and year aforesaid.  
 of Counties of Stark, Portage, Tuscarawas  
 Wayne, Carroll & Wayne  
 District of Columbia  
Saul Lusk Lusk (Seal)  
 Notary Public, Justice of the Peace

STATE OF \_\_\_\_\_ }  
 County of \_\_\_\_\_ }  
 On this \_\_\_\_\_ day of \_\_\_\_\_ A. D. 19\_\_\_\_  
 before me, a \_\_\_\_\_ in and for said County  
 personally appeared the said \_\_\_\_\_  
 who acknowledged that \_\_\_\_\_ did sign and seal the foregoing instrument and that it is \_\_\_\_\_ free act and deed.  
 WITNESS my hand and \_\_\_\_\_ seal, the day and year aforesaid.  
 \_\_\_\_\_ (Seal)  
 Notary Public, Justice of the Peace.

*Handwritten notes:*  
 Done  
 2/22/72  
 [Signature]

This lease is hereby cancelled and surrendered this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

Witness: \_\_\_\_\_ THE EAST OHIO GAS COMPANY  
 By \_\_\_\_\_  
 T. A. KUHN, MANAGER EXPLORATION & DEVELOPMENT

This instrument prepared by The East Ohio Gas Company

59653

No. 68500 Acres 45.50  
 OIL, GAS AND STORAGE LEASE  
 From  
Raymond Scarce  
Kathryn Scarce

To  
 THE EAST OHIO GAS COMPANY  
 1717 EAST NINTH ST.  
 CLEVELAND, OHIO 44114

RECEIVED FOR RECORD  
 THE GEORGE W. UNDERWOOD, County Recorder  
 MAR 20 1972 11:29 AM.  
 Recorded Mar 20 1972  
 Vol 1200 Page 300 of 124  
 Records of  
 Tuscarawas County, Ohio

