

*Indiana Mediation Agreement No. 849 Page 309*

FORM NO. 101

18579

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### AGREEMENT

Made this 7<sup>th</sup> day of December, 1946, by and between Myrl Spence and Annie M. Spence,  
his wife,

of Indiana County, Pennsylvania, hereinafter designated as first party, and the T. W. Phillips Gas and Oil Company, a Pennsylvania corporation, whose principal office is located at Butler, Pa., hereinafter designated as second party.  
WITNESSETH, that the said first party, for and in consideration of one dollar in hand paid by the said second party, the receipt whereof is hereby acknowledged, and the further consideration of the agreement hereinafter contained, to be done, kept and performed by said second party, hereby demises and lets unto said second party, its successors or assigns, all that certain tract of land situate in Washington Township, Indiana County, Pennsylvania, bounded and described as follows:

On the North by lands of Mabel Fairman  
On the East by lands of W. H. & H. C. Wetzel  
On the South by lands of Harry Fairman, R. & P. Coal Co. and Patrick Hazzerty  
On the West by lands of Grace Isoman, A. P. Ray

Containing one hundred eight (108) acres, more or less

TO HAVE AND TO HOLD the said premises for the sole and only purpose of drilling and operating for oil and gas, with the exclusive right to operate the same for the term of twenty years, and as long thereafter as oil or gas is produced in paying quantities, or operations for oil or gas are being conducted thereon, including the right to commence operations for drilling a well or other wells at any time during the term of this lease, or at any time oil or gas is being produced, or operations are being conducted thereon, and to complete the same; also the right to re-lease and subdivide the leased premises, together with a right of way to all places of operating, and also a right of way for pipe lines to convey oil, gas, water or steam off, on or across the same as long as said second party, its successors or assigns, desire to maintain the same; also the right to operate any well on said premises by shackwork or by steam lines connecting it with wells upon the same or upon other adjoining property.

IN CONSIDERATION of the above demise, said second party agrees to deliver in pipe line unto said first party the one-eighth part of the oil produced and saved from the premises.

Should any well not produce oil, but produce gas in paying quantities, and the gas therefrom be sold off the said premises, the consideration to said first party for the gas from each well from which gas is marketed shall be as follows:  
At the rate of two hundred dollars per year while the well shows a pressure of 200 or more lbs. per square inch upon being shut in five minutes in two inch pipe or thirty minutes in larger pipe; at the rate of one hundred dollars per year while the well shows a pressure of 100 or more lbs. per square inch and less than 200 lbs. per square inch upon being shut in five minutes in two inch pipe or thirty minutes in larger pipe; at the rate of fifty dollars per year while the well shows a pressure of less than 100 lbs. per square inch upon being shut in five minutes in two inch pipe or thirty minutes in larger pipe; to be paid quarterly from completion until abandonment of well.

First party exempts and reserves from the leased premises through any well thereon producing gas only, provided the gas pressure is high enough, gas to the extent of 200,000 cubic feet per year, or such part thereof per year as first party requires; subject, however, to the operation and pumping by second party of its wells and pipe lines on the premises, the first party to make the necessary connection and assume all risk in using the gas. Said connection must be made at a place designated by second party and may be at any gas well on said premises or on any gas line of second party on said premises; subject, however, to the right of second party at any time to abandon, take up, remove, repair or change any of its lines or abandon any of its wells, second party not being liable for any expense, shortage or failure of gas which may arise by reason of said changes, lack of gas pressure or abandonment. First party agrees to pay for all gas in excess of the amount exempted and reserved at second party's established rate for domestic consumers in the vicinity, and measurement and regulation shall be by meter furnished by second party and regulators furnished by first party and set at the tap on the well or line. Second party shall have the right to all gas free of cost that can be saved from producing oil wells.

The said first party to have the free use and enjoyment of the premises except the parts necessary for drilling and operating, and no wells to be drilled within two hundred feet of the dwelling house now on the lease without the consent of said first party.  
The said second party to have the free use of water and gas from the premises to run its machinery, and the right at any time during or after the term of this agreement to remove from the premises all machinery, pipe lines, buildings and fixtures belonging to it (including the right to draw and remove casing), whether placed thereon under this or any former lease.

PROVIDED, HOWEVER, that this lease shall become null and void and all rights hereunder shall cease and determine, unless operations for the development of said premises for oil or gas are commenced ~~XXXXX~~ on or before March 8, 1947.

~~XXXXXX~~ or unless said second party shall pay Fifteen a No/100 (\$15.00) ~~XXXXXX~~ dollars every three months in advance for each additional three months the commencement of such operations is delayed from the time above mentioned for the commencement of operations, until operations are commenced. When work is commenced, all rentals cease and the work is to be prosecuted with due diligence until well is completed, and the same shall be full consideration for the unexpired term of this agreement. A payment of delay rentals or gas royalties to said first party mailed on or before the date due to, Myrl Spence  
Millmont, Pa.  
R. D. 12

or to such other address as payee may designate in writing shall be good and sufficient payment for same, as provided for in this agreement.

Upon receipt of notice or knowledge of change of ownership or of any tax sale or judicial sale, or adverse claim affecting the title to the leased premises, or death or incapacity of designated payee, the lessee may at its discretion make payments as aforesaid or may hold any or all payments until title is established and certified to lessee and new payee designated by the lessors or owners of the whole title. In order to avoid a forfeiture, prior notice of withholding the payment of any delay rental shall be mailed to lessor as payments are directed to be mailed, but in such case the lessee may surrender this lease at any time by mailing to the same party to whom said prior notice was mailed notice of its decision to cease paying rental or may at its option record a duly executed surrender thereof in the Recorder's Office of any County in which this land is located.

In case of transfer of title to any part of the premises leased, the owners shall be entitled to delay rentals according to their respective acreage; and to all oil or gas royalty and delay rental paid or payable in proportion to their actual interest.

This lease is taken in lieu of a former lease granted to second party by first party dated March 8, 1927, and recorded in Indiana County, Book 221, page 470, which said former lease is, by the consent of both parties hereto, hereby cancelled and surrendered and this lease substituted.

No promise, agreement or representation of any officer, agent or employee made in soliciting this agreement, or otherwise, shall be recognized or made good by the said second party unless incorporated herein.  
All conditions and agreements herein contained shall be binding on the heirs, executors, administrators, successors or assigns of said parties.

IN WITNESS WHEREOF, the said parties have executed this agreement the day and year first above written.

WITNESS  
John A. Beard  
Myrl Spence (SEAL)  
Annie M. Spence (SEAL)  
(SEAL)  
(SEAL)  
(SEAL)

*Ch. R. ...*

For Partial Assignment See Book 903 Page 725  
For Partial Release See Book 903 Page 695

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ACKNOWLEDGMENT

COUNTY OF Union STATE OF Pennsylvania  
I, John A. Beard Notary Public within and in and for said  
County, in the State aforesaid, do hereby certify that Thelma Spencer and Anne M. Spencer

personally known to me to be the same person, one whose name 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, for the uses and purposes therein set forth, and desired the same to be recorded as such.

Given under my hand and Seal this 7 day of December A. D. 1946



John A. Beard (Seal)

Notary Public (Seal)  
My commission expires March 9, 1949

Recorded Dec 23-1946

Time \_\_\_\_\_  
ORRIN M. McMILLEN; RECORDER