

Cover page for:

**Preliminary Title Opinion
(with copies of recorded exceptions)**

Preliminary title opinion provided by:

Assured Title Agency, Inc.

(Dated February 1, 2023)

**North part of Auction Tract 13
(Hancock County, Ohio)**

For June 29, 2023 auction to be conducted by:

Schrader Real Estate and Auction Company, Inc.

On behalf of:

Kinder-Segen, LLC

OPINION OF TITLE

Re: Karl Rieman Estate
8.459 acres CR 26
Rawson, Ohio 45881

This is to certify that we have examined the title to the following described premises:

Situated in the Township of Union, County of Hancock, State of Ohio, and being a part of the W1/2 of the NE1/4 of Section 26, T1S, R9E, a tract of land bounded and described as follows:

BEGINNING at an iron pin set marking the intersection of the east line of the W1/2 of the NE1/4 of Section 26 with the southeasterly limited access right of way line of Interstate No. 75, described as lying, S00°14'15"E, a distance of 1531.36 feet from a railroad spike found marking the northeast corner of the W 1/2 of said NE 1/4;

thence along the east line of the W1/2 of said NE1/4, S00° 14' 15"E, a distance of 1149.71 feet to the southeast corner of the W1/2 of said NE1/4, referenced by an iron pin found south 0.58 feet;

thence along the south line of said NE1/4, S89°44'17"W, a distance of 1179.42 feet to an iron pin set on the southeasterly limited access right of way line of Interstate No. 75;

thence along the southeasterly limited access right of way line of Interstate No. 75, N45°28'51"E, a distance of 1647.43 feet to the Point of BEGINNING, and containing 15.565 acres of land, more or less, subject however to all prior easements of record.

LESS AND EXCEPT THE FOLLOWING PARCEL:

Situated in the Township of Union, County of Hancock, State of Ohio, and being a part of the W ½ of the NE ¼ of Section 26, T1S, R9E, a tract of land bounded and described as follows:

Commencing at a mag nail found marking the southeast corner of the NE ¼ of said Section 26;

Thence along the south line of said NE ¼ S89°44'17"W, a distance of

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1326.79 feet to an iron pin set marking the southeast corner of the W1/2 of the NE ¼ of said Section 26, said point also being the southeast corner of a 15.565 acre tract of land as described in OR 2433, Page 215, OR 2387, Page 2450, and OR 2387, Page 2455 of the Hancock County Official Records;

thence along the east line of the W1/2 of the NE ¼ of said Section 26 N00°14'15"W a distance of 504.84 feet to an iron pin set and being the Principle Point of beginning of the tract of land to be herein described;

thence from the above described Principle Point of Beginning, N87°30'37"W, a distance of 285.30 feet to an iron pin set;

thence S54°29'29"W a distance of 314.49 feet to an iron pin set;

thence S38°39'39"W a distance of 191.06 feet to an iron pin set;

thence S46°43'20"W a distance of 79.71 feet to an iron pin set;

thence parallel with the south line of the NE ¼ of said Section 26 S89°44'17"W a distance of 105.67 feet to an iron pin set;

thence N09°59'19"W a distance of 183.23 feet to an iron pin set on the southeasterly Limited Access Right of Way line of Interstate Route 75;

thence along said Limited Access Right of Way line N45°28'51"E, a distance of 1196.61 feet to an iron pin found marking the intersection of said Limited Access Right of Way line with the east line of the W1/2 of the NE ¼ of said Section 26;

thence along said east line S00°14'15"E, a distance of 644.87 feet to the Principle Point of Beginning, and containing 7.106 acres of land, more or less, subject however to all prior easements of record.

Hancock County Official Records, Teresa A. Rieman Living Trust, Karl L. Rieman, Trustee OR 2387, Page 2450, OR 2387, Page 2455, Kinder-Segen, LLC OR 2433, Page 215

NOTE: The bearings in this legal description are based upon an assumed meridian and are used only for the purpose of describing angular measurements.

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NOTE: This tract of land must be transferred to an adjoining property and cannot be transferred separate and apart without approval from the Hancock County Regional Planning Commission.

I.P. Set = 5/8" x 30" Rebar with Peterman Associates' Cap.

Parcel No. 44-0001030684
Map No. 1909-260-00-002.002

We hereby certify that in our opinion a good and merchantable title to the aforescribed premises is vested in the name of Kinder-Segen, LLC, an Ohio Limited Liability Company, (an undivided ½ interest), as shown in Volume 2433, Page 215 of the Official Records of Hancock County, Ohio; Karl L. Rieman, Sole Trustee of the Teresa A. Rieman Living Trust dated October 19, 2001, (an undivided ½ interest), as shown in Volume 2387, Page 2455 of the Official Records of Hancock County, Ohio.

SUBJECT ONLY TO THE FOLLOWING:

REAL ESTATE TAXES AND ASSESSMENTS:

Parcel No. 44-000103684

1. Real estate taxes and assessments, if any, for the first half of the year 2022, in the amount of \$63.37, are paid.
2. Real estate taxes and assessments, if any, for the last half of the year 2022, in the amount of \$63.37, are paid.
3. Real estate taxes and assessments, if any, for the year 2023 are a lien and have not yet been determined.

MORTGAGES:

1. Mortgage from Kinder-Segen, LLC, an Ohio Limited Liability Company and Karl L. Rieman, as Trustee of the Teresa A. Rieman Living Trust dated October 19, 2001 an Ohio Trust, to The Citizens National Bank of Bluffton in the principal amount of [REDACTED], dated January 23, 2015, filed for record February 4, 2015, at 2:10 PM in Volume 2474, Page 957 of the Official Records of Hancock County, Ohio.

OTHER:

1. Any and all zoning regulations and/or zoning ordinances.
2. Subject to oil, gas, coal and other mineral interests together with the rights appurtenant thereto whether created by deed, lease, grant, reservation, severance, sufferance or exception.
3. Oil and Gas Lease from Andrew J. Nichols and Shirley A. Nichols, husband and wife to Palladian Enterprises, Inc. dated June 8, 1993, filed for record August 30, 1993 at 8:36 AM in Volume 947, Page 212 of the Official Records of Hancock County, Ohio. Assigned to Meridian Oil, Inc. dated October 14, 1994, filed for record December 20, 1994 at 11:06 AM in Volume 1122, Page 28 of the Official Records of Hancock County, Ohio.
4. Right of Way from Ralph W. Wise to Hancock-Wood Electric Cooperative dated May 17, 1956, filed for record March 7, 1958 at 4:30 AM in Volume 271, Page 534 of the Deed Records of Hancock County, Ohio.

NOTE: This parcel will need to be attached to an adjacent parcel because it is land locked.

This Title Opinion is subject to the compliance with "Consumer Credit Protection," "Truth in Lending," or similar laws.

The above Opinion is made subject to the right of any person or persons in possession of said premises or who has or have any unpaid accounts for labor performed or material furnished within the time frame from this date as prescribed in the Ohio Mechanic's Lien Law as found in Chapter 1311 of the Ohio Revised Code, and to special taxes and assessments not shown by the County Treasurer's Records.

The above Opinion is based on a search in said County of the Records of the Recorder, Auditor, Treasurer, Probate Judge, Sheriff, and Clerk of Courts, and contains every instrument on record as revealed by the indexes constituting a lien against said premises.

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This Opinion of Title covers the period of time of the past Forty (40) years and is made for the benefit of The Karl Rieman Estate.

Dated at the City of Findlay, County of Hancock and State of Ohio, this 1st day of February, 2023, at 8:30 AM.

ASSURED TITLE AGENCY, INC.
301 South Main Street, 4th Floor
Findlay, Ohio 45840
(419) 423-0060

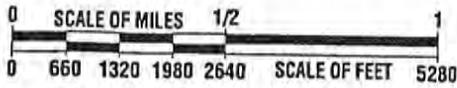


John D. Oman

JDO: csw

UNION TWP -- SE

HANCOCK COUNTY, OHIO T.1S-R.9E



SEE PAGE 67



SEE PAGE 57

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ORANGE TWP NE

R.9E
R.10E

T.1S
T.2S



pick-up
Beladiah

VOL 947 PAGE 212

10709

OIL AND GAS LEASE
(Paid Up) Ohio

THIS AGREEMENT made this 8th day of June 1993, between

Andrew J. Nichols & Shirley A. Nichols, husband & wife

Lessor (whichever one or more),

whose address is: 20416 Luettich Lane, Estero, Florida 33929

and Pelladon Enterprises Inc., P. O. Box 671685, Houston, Texas 77267, Lessee.

WITNESSETH:

1. Lessor in consideration of Ten and more Dollars (\$10,000+), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing of gas and all other hydrocarbons, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipelines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, and to produce, save, take care of, treat, transport and own said products, the following described land in Union Township, Hancock County, Ohio to-wit (sometimes hereinafter referred to as the "leased premises"):

The East half of the Northwest quarter of Section 26, AND the West half of the Northeast quarter of Section 26, Township 1 South, Range 9 East, containing 160 acres, more or less, SAVE AND EXCEPT those certain parcels excepted and reserved in Hancock County Deed Book Volume 597 at Page 91, leaving a balance of 138.67 acres, more or less. The subject premises are assessed as Parcel No. 44-0001004366 in Hancock County as of the date of this Agreement.

FILED AND RECORDED
August 30 1993
AT 8:36 O'CLOCK AM
BY CL 947 PAGE 212
A. T. M. BAUM
RECORDING COMMISSIONER, OHIO
FEE \$12.00

Containing 138.67 acres, more or less.

and being the property described in Deed Volume 597, Page 91 of the Hancock County Record of Deeds. This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the leased premises.

2. This lease shall be for a term of five (5) years from this date (the "primary term") and as long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or land with which the leased premises are pooled or this lease is otherwise maintained in effect pursuant to the provisions hereof. If this lease is not being otherwise extended pursuant to the provisions hereof, Lessee is hereby given the option to extend the primary term of this lease, as to all or any portion of the leased premises, for an additional five (5) years from the expiration of the primary term. This option may be exercised by Lessee, at Lessee's sole discretion, at any time during the last year of the primary term by paying or tendering to Lessor, its heirs, successors or assigns (subject to the provisions of this lease regarding changes in ownership) the sum of \$20.00 per net mineral acre for the portion of the lease to be so extended. Additionally, Lessee shall, within thirty (30) days of such payment or tender, record an instrument providing notice of the extension of the lease and the description of the portion of the leased premises covered by such extension. This is a paid up lease requiring no rentals either during the primary term or the extended term.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth (1/8) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the Lessee's oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same or nearest field for production of similar grade and gravity; (b) For gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth (1/8) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the costs incurred by Lessee in delivery or otherwise making such gas or other substance merchantable, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same or nearest field pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; (c) Lessor shall pay a proportionate part of all excise, depletion, privilege, and production taxes now or hereafter levied, or assessed or charged on oil or gas produced from the land; and (d) If a well on the leased premises or lands pooled therewith is capable of producing oil or gas but such well is either shut-in for ninety (90) consecutive days or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor, and if this lease is not otherwise maintained in effect, such well shall nevertheless be considered as though it were producing oil or gas for the purpose of maintaining this lease, whether during or after the primary term, if Lessee pays shut-in royalty of One Dollar per acre then covered by this lease, or \$50.00 per shut-in well, at Lessee's option, such payment to be made to Lessor at above address, on or before the next ensuing anniversary date of this lease, or within one hundred and twenty (120) days after such anniversary date, and thereafter on or before each anniversary date hereof while the wells are shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor. For the purpose of calculating shut-in royalties which are paid on a per acre basis, the number of lease acres described in Paragraph 1 shall be deemed correct, whether actually more or less. If Lessee chooses to pay shut-in royalties on a per well basis, when such payment is made, it will be considered that oil or gas is being produced from the entire lease.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate the leased premises in compliance with the spacing rules of the Oil and Gas Division of the Ohio Department of Natural Resources, or other lawful authority or when to do so would, in the judgment of Lessee, promote the conservation and prevent the waste of oil and gas in and under and that may be

For Assgnt see V 1122 P 28

produced from the leased premises. Units pooled hereunder shall not substantially exceed in area six hundred and forty (640) acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, unit thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations, and lessee shall have the necessary right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. If Lessee completes a horizontal well which, in Lessee's judgment, shall produce oil, gas or other hydrocarbons from the leased premises, Lessee shall have the right, but not the obligation, to pool or unitize all or a portion of the leased premises or interest therein with any other lands or interest, either before or after commencement of production. The unit formed by such pooling shall not exceed six hundred and forty (640) acres plus a maximum acreage tolerance of ten percent (10%); provided, however, that if the Ohio Department of Natural Resources, or other lawful authority, shall prescribe or permit the creation of any horizontal unit, proration unit or spacing pattern for the development of a field, the units created under the authority of this Paragraph 4 may conform substantially in size therewith to the extent necessary to obtain maximum production allowable from any such well. The terms "horizontal well" and "horizontal completion" mean, for purposes of this lease, an oil and/or gas well in which the horizontal component (or high angle deviation) of the gross completion interval exceeds one hundred (100) feet in length. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform in size or area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the leased premises, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from the leased premises whether or not the well or wells located on the leased premises and in such event operations for drilling shall be deemed to have been commenced on the leased premises within the meaning of Paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties to which owners of royalties and payments out of production and each of them shall be entitled on the production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in this production of oil and gas, or either of them, from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis so that there is no pooling of production from separate tracts within the unit. Royalties hereunder shall be computed on the portion of such production which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the land covered by this lease and included in the unit just as though such production were from the leased premises. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit. The production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not as production from an oil pooled unit. The unitization of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this Paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other hydrocarbons are not being produced on the leased premises, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within ninety (90) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for drilling or reworking of any hydrocarbon well are prosecuted with no cessation of more than ninety (90) consecutive days, and if they result in the production of oil, gas, or other hydrocarbons, so long thereafter as oil, gas, or other hydrocarbons are produced from the leased premises, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other hydrocarbons are produced from the leased premises, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within ninety (90) days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than ninety (90) consecutive days, and if they result in the production of oil, gas, or other hydrocarbons, so long thereafter as oil, gas, or other hydrocarbons are produced from the leased premises, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the leased premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations thereafter arising as to the acreage surrendered.

6. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations and other facilities to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. The right of ingress and egress granted hereby shall apply to the entire leased premises notwithstanding any release or other termination affecting any portion thereof. When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth. No well shall be located less than three hundred (300) feet from any house or barn now on the leased premises without Lessor's consent. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease or within a reasonable time thereafter. Upon cessation of operations on the leased premises, Lessee shall restore the leased premises as nearly as practicable to its original condition. Lessor represents and warrants to Lessee that Lessor is not aware of any problems relating to the environmental or physical condition of the leased premises and it is specifically understood and agreed that Lessee shall not be liable for or assume any obligation with respect to (i) the restoration or remediation of any condition associated with the leased premises which existed prior to the date of this lease (including pre-existing hazardous substance contamination), or (ii) the removal of any wellbore, equipment, fixtures, facilities or other property located in, on or under the leased premises prior to the date of this lease. Lessor further agrees to indemnify, equipment, fixtures, facilities or other property located in, on or under the leased premises, Environmental Response, Compensation and Liability Act), damages, diminutions in value and causes of action arising out of any wellbore, equipment, fixtures, facilities or other property located in, on or under the leased premises prior to the date of this lease.

7. The rights of other party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after the Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of a recorded instrument or instruments evidencing same. If Lessee transfers its interest hereunder, in whole or in part, Lessee shall be relieved of all obligations then existing with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to the interest not so transferred. If six (6) 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.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a reversion or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation to develop the leased premises shall arise during the primary term. Should oil, gas or other hydrocarbons be discovered in paying quantities on the leased premises, then after the expiration of the primary term, 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 forty (40) acres plus an acreage tolerance not to exceed ten percent (10%) of forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per six hundred and forty (640) acres plus an acreage tolerance not to exceed ten percent (10%) of six hundred and forty (640) acres of the area retained hereunder and capable of producing gas in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not 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 ninety (90) days after receipt of such notice in which to commence compliance with the obligations imposed by virtue of this lease.

9. Lessor hereby warrants and agrees to defend the title to the leased premises and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon the leased premises, either in whole or in part, and in the event Lessee does so, Lessee shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty, it is agreed that if this lease covers a less interest in the oil, gas or other hydrocarbons in all or any part of the leased premises than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment, services, material, water, electricity, fuel, access or easements, or by operation of force majeure, including, fire, flood, war, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, or Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

See EXHIBIT "A" attached H/W

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

WITNESSES:
Leotta C. Ballard
 Leotta C. Ballard as to both
Carl E. Fox
 Carl E. Fox as to both

LESSOR:
Andrew J. Nichols
 Andrew J. Nichols
Shirley A. Nichols
 Shirley A. Nichols

STATE OF Ohio
 COUNTY OF Wood

ACKNOWLEDGMENT TO THE LEASE

On this 10th day of June, A.D., 1993, before me, the undersigned, a Notary Public, in and for said County, in the State aforesaid, personally appeared Andrew J. & Shirley A. Nichols, H&W to me known as the person is described in and who executed the foregoing instrument and acknowledged that they had executed the same as their free act and deed.

My Commission Expires:
LEOTTA C. BALLARD
 Notary Public, State of Ohio
 My Commission Expires May 29, 1994

Leotta C. Ballard
 Notary Public in and For The State Of Ohio
Wood County

This lease was prepared by Petroleum Enterprises Inc.
 P. O. Box 871683
 Houston, Texas 77287
 By: [Signature]

EXHIBIT "A"

Attached to and by reference made a part of that certain Oil and Gas Lease dated June 8th, 1993, by and between Andrew J. Nichols & Shirley A. Nichols, husband & wife, Lessor, and Palladian Enterprises Inc., Lessee.

ADDITIONAL PROVISIONS:

1. Lessee shall reimburse Lessor for the market value of any growing crops destroyed by Lessee's operations hereunder, or for the market value of crops taken out of cultivation due to Lessee's operations by paying to Lessor prior to initiation of drilling the sum of \$1,500.00 per acre of land utilized in such operation. As to any lands owned by Lessor designated for Lessee's surface use which have tile drainage systems, Lessee shall pay to Lessor the sum of \$2,000.00 per acre. Furthermore, Lessee shall also reimburse Lessor for the reasonable value of damages to the livestock, fences, roads, personal property, buildings or other improvements of Lessor caused by Lessee's operations on the leased premises.
2. It is hereby understood and agreed that prior to entry on the leased premises, Lessee shall consult with Lessor as to the location of all drillsites, points of ingress and egress, roads, and, if necessary, production facilities. Lessee agrees to use reasonable efforts to minimize the amount of acreage utilized during its operations, and maintain the leased premises so as to minimize interference with Lessor's agricultural use of the leased premises.
3. Upon notice from Lessee of its intent to conduct operations on the leased premises, Lessor agrees to consult with Lessee to determine the location and positions of any and all tile drains and outlets situated in or on the leased premises. Lessee shall use reasonable efforts to conduct its operations to protect such drains and outlets from damage, and as long as this lease is in full force and effect, Lessee shall repair or restore any drains or outlets which are damaged by Lessee during the course of its operations on the leased premises within ninety (90) days from the date of notification by Lessor of such damage, given adequate weather conditions.
4. IT IS HEREBY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT THE PROVISIONS OF THIS EXHIBIT "A" SHALL SUPERSEDE ANY PROVISIONS OF THE PRINTED LEASE FORM TO THE CONTRARY.

SIGNED FOR IDENTIFICATION THIS 10th day of June, 1993.



[Signature]
[Signature]

Lessor:
[Signature]
 Andrew J. Nichols
[Signature]
 Shirley A. Nichols

Mail
12733

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FILED AND RECORDED
December 28 1994
AT 11:00 O'CLOCK A.M.
IN VOL. 1122 PAGE 28
ANITA M. MUSGRAVE NR
RECORDER, HANCOCK CO., OHIO
FEE \$16.00 PAID

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF OHIO)
) KNOWN ALL MEN BY THESE PRESENTS
COUNTY OF HANCOCK)

THAT, PALLADIAN ENTERPRISES INC., whose address is P. O. Box 671685, Houston, Texas 77267, (hereinafter referred to as Assignor), for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid, the receipt and sufficiency of which is hereby acknowledged and confessed, does hereby bargain, sell, transfer, convey and assign unto MERIDIAN OIL INC., whose address is 400 North Sam Houston Parkway East, Suite 1200, Houston, Texas 77060 (hereinafter referred to as Assignee), all of Assignor's right, title and interest in and to the Oil and Gas Lease(s), described in Exhibit "A" INsofar as the same covers and affects the land(s) described in said Exhibit attached hereto and made a part hereof.

THIS Assignment is made without warranty of title, either express or implied and shall be subject to any prior reservations or assignments.

IN WITNESS WHEREOF, this instrument is executed this 14th day of October, 1994, but effective as of the 1st day of September, 1994.

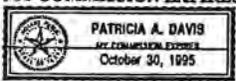
PALLADIAN ENTERPRISES INC.

By: W. J. Scarff
W. J. Scarff JSB
President

STATE OF TEXAS)
) KNOWN ALL MEN BY THESE PRESENTS
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 14th day of October, 1994, by W. J. SCARFF, President of PALLADIAN ENTERPRISES INC., on behalf of said corporation.

MY COMMISSION EXPIRES:



Patricia A. Davis
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

This Instrument was prepared by:
Meridian Oil Inc.
400 N. Sam Houston Parkway E., Suite 1200
Houston, Texas 77060

Handwritten signature/initials

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EXHIBIT "A"
Attached to and made a part of that certain Assignment of Oil and Gas Lease dated October 14, 1994.

PROP. NO.	LSE NO.	LESSOR	LESSEE	DATE	YR	STATE	COUNTY	BOOK	PAGE	PROSPECT	LEGAL DESCRIPTION
19716200	OH35419 210	MARSHALL, ELEANOR MATHWESON, EUGENE A, ET UX	PALLADIAN ENTERPRISES INC	04-08	-93	OH	HANCOCK	.963	81	DUKE	T2S, R9E, SEC 3: 79.1 ACRES OUT OF W/2 NE/4, 42.4 ACRES OUT OF SE/4 NW/4
19716500	OH35422 210		PALLADIAN ENTERPRISES INC	04-06	-93	OH	HANCOCK	.963	85	DUKE	T2S, R9E, SEC 5: 39.1 ACRES OUT OF S/2 E/2 SE/4
19716100	OH35424 210	MERTZ, WAYNE L, ET UX	PALLADIAN ENTERPRISES INC	05-17	-93	OH	HANCOCK	.964	99	DUKE	T1S, R9E, SEC 22: 62.6 ACRES OUT OF S/2 SE/4 & E/2 SW/4
19716000	OH35423 210	MEYER, ELMER L, ET UX	PALLADIAN ENTERPRISES INC	06-03	-93	OH	HANCOCK	.947	224	DUKE	T1S, R10E, SEC 7: 40.17 ACRES OUT OF SE/4 SE/4, 58.22 ACRES OUT OF NE/4 SE/4 & W/2 SE/4, 35.78 ACRES OUT OF W/2 SE/4; SEC 18: 88.95 ACRES OUT OF W/2 NE/4
19716300	OH35428 210	MEYER, MARK H, ET AL	PALLADIAN ENTERPRISES INC	06-04	-93	OH	HANCOCK	.947	220	DUKE	T1S, R10E, SEC 18: N/2 NE/4 SW/4
19716400	OH35427 210	MEYER, ROBERT E	PALLADIAN ENTERPRISES INC	11-07	-93	OH	HANCOCK	.1044	27	DUKE	T2S, R9E, SEC 4: 41.908 ACRES OUT OF W/2 W/2 NE/4, 40.468 ACRES OUT OF E/2 NW/4
19716500	OH35428 210	MIRCO INC	PALLADIAN ENTERPRISES INC	05-17	-93	OH	HANCOCK	.1017	215	DUKE	T2S, R9E, SEC 21: W/2 NW/4
19714700	OH35414 210	MONTBATH FARM MONTGOMERY, BRIAN E, ET UX	PALLADIAN ENTERPRISES INC	05-14	-93	OH	HANCOCK	.847	229	DUKE	T2S, R9E, SEC 31: N/2 NW/4, 54.13 ACRES OUT OF NE/4 NW/4 & N/2 SE/4 NW/4
19719100	OH35433 210		PALLADIAN ENTERPRISES INC	03-26	-93	OH	HANCOCK	.963	63	DUKE	T2S, R9E, SEC 16: 79.38 ACRES OUT OF W/2 E/2 SE/4 & S/2 W/2 SE/4
19719400	OH35434 210	MONTGOMERY, CHARLES W, ET UX	PALLADIAN ENTERPRISES INC	03-10	-93	OH	HANCOCK	.885	114	DUKE	T2S, R9E, SEC 30: 33.17 ACRES OUT OF SE/4 SW/4, 140.48 ACRES OUT OF S/2 NW/4 & N/2 SW/4
19719500	OH35435 210	MONTGOMERY, CLAIR E	PALLADIAN ENTERPRISES INC	03-10	-93	OH	HANCOCK	.885	129	DUKE	T2S, R9E, SEC 15: 105.5 ACRES OUT OF E/2 SW/4 & S/30 ACRES OUT OF E/2 NW/4; SEC 28: 50 ACRES OUT OF W/SIDE SW/4
19719700	OH35436 A210	MONTGOMERY, DONAVIN R	PALLADIAN ENTERPRISES INC	04-01	-93	OH	HANCOCK	.863	65	DUKE	T2S, R9E, SEC 17: 58.06 ACRES OUT OF N/END E/2 NE/4
19719900	OH35438 210	MONTGOMERY, HELEN F	PALLADIAN ENTERPRISES INC	03-12	-93	OH	HANCOCK	.885	94	DUKE	T2S, R9E, SEC 23: S/2 NW/4, 10 ACRES OUT OF N/END W/2 E/2 SW/4
19720100	OH35438 B210	MONTGOMERY, MARGARET J	PALLADIAN ENTERPRISES INC	04-05	-93	OH	HANCOCK	.963	61	DUKE	T2S, R9E, SEC 17: 58.06 ACRES OUT OF N/END E/2 NE/4

EXHIBIT "A"
 Attached to and made a part of that certain Assignment of Oil and Gas Lease dated October 14, 1994.

19720000	OH35439 210	MONTGOMERY, MARGARET E	PALLADIAN ENTERPRISES INC	04-05	-93	OH	HANCOCK	-963	93	DUKE	T2S, R9E, SEC 21: 79.49 ACRES OUT OF S/2 SE/4; SEC 22: W/2 W/2 SW/4
19720300	OH35440 210	MONTGOMERY, RICHARD E	PALLADIAN ENTERPRISES INC	04-05	-93	OH	HANCOCK	-963	126	DUKE	T2S, R9E, SEC 30: N/2 NW/4
19721200	OH35443 210	MONTGOMERY, ROBERT A, ET UX	PALLADIAN ENTERPRISES INC	03-31	-93	OH	HANCOCK	-863	77	DUKE	T2S, R9E, SEC 23: W/2 SW/4
19721800	OH35447 210	MOSEER, BART A, ET UX	PALLADIAN ENTERPRISES INC	04-19	-93	OH	HANCOCK	-984	127	DUKE	T2S, R9E, SEC 17: E/2 SE/4
19721900	OH35450 210	NICHOLS, ANDREW J, ET UX	PALLADIAN ENTERPRISES INC	06-08	-93	OH	HANCOCK	-947	212	DUKE	T1S, R9E, SEC 26: 138.67 ACRES OUT OF E/2 NW/4 & W/2 NE/4
19722000	OH35451 210	NONNAMAKER, R DEAN, ET UX	PALLADIAN ENTERPRISES INC	03-11	-93	OH	HANCOCK	-954	216	DUKE	T2S, R9E, SEC 16: 39.4 ACRES OUT OF NW/4 NW/4
19722100	OH35452 210	NONNAMAKER, RALPH A, ET UX	PALLADIAN ENTERPRISES INC	03-10	-93	OH	HANCOCK	-885	102	DUKE	T2S, R9E, SEC 8: 117 ACRES OUT OF W/2 NE/4 & W/2 E/2 NE/4
19722200	OH35453 210	NORBECK, HELEN M, ET VIR	PALLADIAN ENTERPRISES INC	03-16	-93	OH	HANCOCK	-885	106	DUKE	T2S, R9E, SEC 9: 60 ACRES OUT OF W/SIDE W/2 NE/4, W/2 NE/4 NE/4, E/2 NE/4 NE/4, PART OF W/2 NE/4, CONTAINING IN ALL 120 ACRES.
19722300	OH35454 210	OASIS FARMS CORPORATION	PALLADIAN ENTERPRISES INC	05-12	-93	OH	HANCOCK	-946	257	DUKE	T2S, R9E, SEC 16: 97.7 ACRES OUT OF N 5/8 S NW/4
19722600	OH35457 210	POTTS, TIMOTHY M	PALLADIAN ENTERPRISES INC	05-14	-93	OH	HANCOCK	-947	208	DUKE	T2S, R9E, SEC 31: 39 ACRES OUT OF S/2 S/2 NW/4

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RIGHT-OF-WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDER SIGNED Ralph W. Wise

For a good and valuable consideration, the receipt whereof is hereby acknowledged does hereby grant unto the Hancock-Wood Electric Cooperative, Inc., a corporation, whose postoffice address is North Baltimore, Ohio and to its successors or assigns, the right to enter upon the lands of the undersigned situated in the County of _____ State of Ohio, and more particularly described as follows:

Legal Description NE 1/4 of NW 1/4 of Sec 26 Union Twp. Han. Co.
Township Union Section 26 House# _____ Road# T15 R9E

a tract of land approximately 80 acres in area located 3 miles 5 from the town of Mt. Carmel, O. and bounded by land owned by Do. Brown West and John Thompson East

and to place construct, operate, repair, maintain, relocate and replace thereon and in or upon all streets, roads or highways abutting said lands an electric transmission or distribution line or system, and to cut and trim trees and shrubbery to the extent necessary to keep them clear of said electric line or system and to cut down from time to time all dead, weak, leaning or dangerous trees that are tall enough to strike the wires in falling.

In granting this easement it is understood that at pole locations, only a single pole and appurtenances will be used, and that the location of the poles will be such as to form the least possible interference to farm operations, so long as it does not materially increase the cost of construction.

Give all saw logs Burn brush only, save all good wood for stove use
see location of 2 walnut trees at gate on west side

The undersigned covenants that he is the owner of the above described lands and that the said lands are free and clear of encumbrances and liens of whatsoever character except those held by the following persons:

It is further understood that, whenever necessary, words used in this instrument in the singular shall be construed to read in the plural and the words used in the masculine gender shall be construed to read in the feminine.

IN WITNESS WHEREOF, the undersigned has set his hand and seal this 17 day of May, 1956

Signed, sealed and delivered in the presence of: Ralph W. Wise
Newton, Ohio P. I.
Blanche C. [Signature]

STATE OF OHIO)
Hancock County) ss Notary Public, My Commission Expires March 2, 1960

NOTARIAL SEAL: REMEMBERED, that on this 17 day of May, 1956 personally appeared before me, the undersigned, a Notary Public in and for said County, the above named Ralph W. Wise grantor in the foregoing grant, and acknowledged the execution thereof to be his voluntary act and deed.

IN TESTIMONY WHEREOF: I have hereunto signed my name and affixed my official seal the day and year last mentioned above.

FILED FOR RECORD 514
March 7 1958
At 4:30 o'clock P. M.
Recorded March 10, 1958
In Hancock County, Ohio
Record of Deeds
Book 271 Page 534
Walter C. [Signature]
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This instrument prepared by R. P. Luse.