

*Cover page for:*

# **Preliminary Title Insurance Schedules** **(with copies of recorded exception documents)**

*Preliminary title insurance schedules prepared by:*

**Mahoney Law Office**

**(File Number: 0737-198516)**

**Note:** The tract numbers in the preliminary title insurance schedules do not correspond to the auction tract numbers. For purposes of bidding at the auction, and for purposes of the purchase documents, the auction tracts are identified by the tract numbers used in the auction brochure and Exhibit A in the Bidder Packets. The tract numberings are crossed-referenced in the table below.

<b>Auction Tract Numbers:</b>	<b>Title Company's Tract Numbers:</b>
<b>1</b>	<b>A, E &amp; F</b>
<b>2</b>	<b>E &amp; F</b>
<b>3</b>	<b>B, C &amp; D</b>

*For February 10, 2026 auction to be conducted by:*

**Schrader Real Estate and Auction Company, Inc.**

*On behalf of:*

**Carol B. Coleman and David K. Coleman**

**Issuing Office Name and Address:**

**Mahoney Law Office - Agent 0737**

**822 Main St., P.O. Box 176**

**Petersburg, IN 47567**

**Phone 812 354 8121 Fax 812 354 8161 email: brooke@mahoneylawin.com**

**F:\DATA\TITLE\titlework\Coleman Auction1025.Commit.wpd**

**CONESTOGA TITLE INSURANCE CO.**  
137 East King St., Lancaster, PA 17602

**SCHEDULE A**

Issuing Office File Number & Commitment Number: 0737-198516

Property Address (for reference only): **State Road 257, Velpen, IN 47590**

**1. Commitment Date: 10/20/2025**

**2. Policy or Policies to be issued:**

**a. 2021 ALTA® Owner's Policy**

Proposed Insured: %

Proposed Amount of Insurance: \$

The estate or interest to be insured: Fee Simple

**b. 2021 ALTA® Loan Policy**

Proposed Insured: \*, ISAOA/ATIMA

Proposed Amount of Insurance: \$

The estate or interest to be insured: Mortgagee

**3. The estate or interest in the Land at the Commitment Date is: Fee Simple**

**4. The Title is, at the Commitment Date, vested in: Carol B. Coleman and David K. Coleman, subject to life estate in Cecil Coleman**

Source of Title: A Court Order dated July 6, 1987 and recorded July 16, 1987 in Deed Record 109 at page 132.

**5. The Land is described as follows: See Legal Description attached hereto**

CO<sup>NESTOGA</sup> TITLE INSURANCE CO.  
137 East King St., Lancaster, PA 17602

**Commitment Number: 198516**

**Issuing Office File Number:**

**SCHEDULE B, PART I—Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.  
*(Note: Recording fee- deeds \$25, Mtg \$55. The Auditor charges \$30 transfer fee for deeds):*
  - i. *Warranty Deed and Vendor's Affidavit from Carol B. Coleman and David K. Coleman, subject to life estate in Cecil Coleman vesting fee simple title in %.*
  - ii. *Mortgage from % to \* securing the loan.*
5. Liens and defects intervening between the date hereof and the time of recording of the instruments creating interests to be insured must be satisfied or released.
6. Terms and conditions of any unrecorded agreements or leases and tenancy of present occupants must be disclosed to us and a proper settlement of those interests must be satisfactory to us.
7. Payment of all taxes, charges, and assessments levied and/or assessed against the subject premises, which are due and payable.
8. Proof that all natural persons in this transaction are of full age and legally competent.
9. Proof of identification will be required at settlement.
10. Proof that this transaction is not within the Bankruptcy or Insolvency Acts.

**Additional Requirements:**

**NOTE:** A judgment search has been performed against all parties in this transaction, and none were found. Further, no deeds of conveyance of the property have occurred in the last 24 months.

“IF THIS TRANSACTION IS A PURCHASE, this Issuing Agent is required by Federal Law to collect certain additional information from the Buyer and Seller and the parties representing each. US Code Title 31-Chapter X, Section 1031 authorizes the U.S Department of Treasury to collect information about certain residential real estate transactions. Part 1031 – Rules for Persons Involved in Real Estate Closings and Settlements - imposes reporting requirements on persons involved in certain types of residential real estate closings. Pursuant to this reporting obligation, you may be required, as a condition of the issuance of the title policy, to provide additional information to the Issuing Agent that will be reported to the United States Department of Treasury, Financial Crimes Enforcement Network (FinCEN). Please respond with all the required information when asked by this Issuing Agent in order to insure compliance with Federal law. If it is determined that this transaction meets the reporting requirement, you will be asked to provide information, for example, on the identity, addresses and SSN/EIN of the parties to the transaction as well as any individuals with ownership or control over any involved entity. In addition, you will be asked for information on the source of the funds for this transaction (meaning, bank account information). The Issuing Agent is prohibited from issuing its policy if the transaction is reportable and the information is not provided for reporting.”

**Commitment Number: 198516**

**SCHEDULE B, PART II—Exceptions**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.**

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any variation in location and dimensions, conflicts in boundary lines, encroachments, overlaps, easements not of record and any other objections which a survey made in accordance with "Minimum Standard Detail Requirements for Land Title Surveys as adopted by American Land Title Association and National Society of Professional Surveyors" would disclose.
2. Rights or claims of parties in possession not shown by the public records.
3. Easements, or claims of easements, not shown by the public records.
4. Taxes or special assessments which are not shown as existing liens or charges by the public records.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Oil, gas, coal and other mineral interests together with the rights appurtenant thereto whether created by deed, lease, grant, reservation, severance, sufferance or exception.
7. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
8. Acreage, if contained in the legal description or elsewhere in this commitment concerning the subject real estate, is shown solely for the purpose of identifying and describing the insured land and this commitment and the ensuing policy should not be construed as insuring the quantity of land as set forth in said description.
9. Taxes for 2024, due and payable in 2025, in the name of Carol B. Coleman and David K. Coleman, subject to life estate in Cecil Coleman, payable to Pike County Treasurer, Courthouse, 801 Main Street, Petersburg, IN 47567. Phone 812.354.6363.

Assessment:	Residential Land:	\$12800
40	Residential Imp:	\$3200
A	Agricultural Land:	\$39800
	Non Residential Imp:	\$15900
	Exemptions:	
	Parcel No.:	63-12-17-300-013.000-006
	Taxing Unit	Marion Township
	May 10 installment:	\$759.80 paid
	November 10 installment:	\$759.80 unpaid

**SCHEDULE B, PART II—Exceptions Cont'd**

Assessment: Residential Land: \$  
39 Residential Imp: \$  
E Agricultural Land: \$48200  
Non Residential Imp:\$  
Exemptions:  
Parcel No.: 63-12-20-200-001.000-003  
Taxing Unit: Lockhart Township & Upper Patoka  
May 10 installment: \$482.00 & \$27.36 paid  
November 10 installment: \$482.00 & \$27.36 unpaid

Assessment: Residential Land: \$  
45.28 Residential Imp: \$  
F Agricultural Land: \$78900  
Non Residential Imp:\$  
Exemptions:  
Parcel No.: 63-12-19-800-014.000-003  
Taxing Unit: Lockhart Township & Upper Patoka  
May 10 installment: \$789.00 & \$44.79 paid  
November 10 installment: \$789.00 & \$44.79 unpaid

Assessment: Residential Land: \$  
39.55 Residential Imp: \$  
B Agricultural Land: \$52400  
Non Residential Imp:\$  
Exemptions:  
Parcel No.: 63-12-18-400-016.000-006  
Taxing Unit: Marion Township & Upper Patoka  
May 10 installment: \$524.00 & \$29.77 paid  
November 10 installment: \$524.00 & \$29.77 unpaid

Assessment: Residential Land: \$  
10 Residential Imp: \$  
C Agricultural Land: \$10700  
Non Residential Imp:\$  
Exemptions:  
Parcel No.: 63-12-18-400-010.000-006  
Taxing Unit: Marion Township & Upper Patoka  
May 10 installment: \$107.00 & \$6.04 paid  
November 10 installment: \$107.00 & \$6.0-4 unpaid

Assessment: Residential Land: \$6800  
3 Residential Imp: \$  
D Agricultural Land: \$  
Non Residential Imp:\$  
Exemptions:  
Parcel No.: 63-12-18-300-015.000-006  
Taxing Unit: Marion Township & Upper Patoka  
May 10 installment: \$68.00 & \$5.52 paid  
November 10 installment: \$68.00 & \$5.52 unpaid

Taxes for 2025, due and payable in 2026, soon to be or already a lien, but not yet due and payable, and taxes for all subsequent years, which are not yet a lien.

10. Despite boilerplate language: access to A, E, and F is not insured at the Southwest Corner of A due to IN 257 location; Further, access to B, C, and E is not insured due to placement of 257 in the Southeast corner of B, which appears to be only public right of way for access.
11. Oil and Gas Lease to W.E. Brubeck by Oil and Gas Lease recorded 7/5/1973 in Oil and Gas Lease Record 21 at page 175.
12. Oil and Gas Lease to Samson Resources Company by Oil and Gas Lease recorded 3/27/2006 in Oil and Gas Lease Record 42 at page 151.

**Commitment Number: 198516**

**Legal Description**

The following described real estate in Pike County, Indiana, to-wit:

Tract A:

The Southwest Quarter of the Southwest Quarter of Section 17, Township 2 South, Range 6 West, containing 40 acres, more or less.▼

Tract B:

Also, the Southwest Quarter of the Southeast Quarter of Section 18, Township 2 South, Range 6 West, containing 40 acres, more or less.▼

Tract C:

Also, ten (10) acres off of the South side of the Northwest Quarter of the Southeast Quarter of Section 18, Township 2 South, Range 6 West.▼

Tract D:

Also, three (3) acres off of the East side of the Southeast Quarter of the Southwest Quarter of Section 18, Township 2 South, Range 6 West, being all of the said Quarter-Quarter Section being and lying North of the center of Patoka River and East of a large slough running in a North and South direction through said tract and emptying into said river.▼

Tract E & F

Also, a part of the Northwest Quarter of Section 20, and a part of the East Half of Section 19, all in Township 2 South, Range 6 West, described as follows: Beginning at the Northwest corner of said Section 20, running thence East 160 rods to Patoka River; thence in a Southwesterly direction with the meanderings of said river to State Highway No. 257; thence Northerly with the center line of said State Highway to the center line of a new ditch recently constructed; thence Southeasterly with the center line of said ditch 850 feet to a slough; thence Northeasterly with the meanderings of said slough to a point on the East line of Section 19, Township 2 south, Range 6 west, 800 feet South of the point of beginning; thence North 800 feet to the place of beginning, containing 90 acres, more or less; EXCEPTING THEREFROM 3.170 acres heretofore sold to the state of Indiana for highway purposes in said Section 19. (Description furnished by Grantor.)▼



RECEIVED FOR RECORD

Instr. No. 06-265  
This 27 day of March  
A.D. 2006 at 10:40 clock A.M.  
and recorded in Record 47  
at page 151-154  
Samson Edgington  
Recorder Pike County  
Recorder's Fee 15.00

OIL AND GAS LEASE  
(PAID UP)

THIS AGREEMENT made and entered into this January 12, 2006, by and between: Cecil Coleman, a married man dealing in a sole & separate property, (life estate interest), Carol B. Coleman, a single woman & David K. Coleman, a single man - (remainder interest), whose address is 407 Edgewood Drive, Anderson, Indiana 46011 hereinafter called LESSOR (whether one or more), and Samson Resources Company, an Oklahoma corporation, whose address is Two West Second Street, Tulsa, Oklahoma 74103, hereinafter called LESSEE.

WITNESSETH:

1. (Granting and Legal Description) LESSOR, for and in consideration of TEN DOLLARS AND OTHER CONSIDERATION, the receipt of which is hereby acknowledged, and the covenants and agreements of the LESSEE hereinafter contained, does hereby grant, lease and let unto LESSEE the land described below, including all interests therein LESSOR may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, together with all rights, privileges and easements useful or convenient in exploring for, drilling for, producing, treating, storing, caring for, transporting and removing production from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, establish and utilize facilities for disposition of water, brine or other fluids, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities. Said land is in the County of Pike, State of Indiana and is described as follows:

Township 2 South Range 6 West

Section 17 SW SW (40.00 Acres) Assessment # 006-00210-00, as described in Deed Book 109 Page 132

Section 18 PT NW SE (10.00 Acres) Assessment #006-00210-02, as described in Deed Book 109 Page 132

Section 18 PT SW SE (39.55 Acres) Assessment # 006-00210-03, as described in Deed Book 109 Page 132

Section 18 PT SE SW (3.00 Acres) Assessment # 006-00210-01, as described in Deed Book 109 Page 132

Section 19 PT E2 (45.28 Acres) Assessment #003-00363-00, as described in Deed Book 109 Page 132

Section 20 PT NW (39.00 Acres) Assessment #003-00363-03, as described in Deed Book 109 Page 132

containing 176.83 acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above, that are owned or claimed by LESSOR, or to which LESSOR has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir. The term "gas" when used in this lease shall mean a mixture of hydrocarbons and of non hydrocarbons in a gaseous state which may or may not be associated with oil, coal or shale, and including coal bed methane and shale gas and those liquids resulting from condensation of gas after it leaves the underground reservoir.

2. (Term and Operations) It is agreed that this lease shall remain in force for the primary term of Five (5) years from this date, and as long thereafter as operations are conducted upon said land with no cessation for more than 90 consecutive days, provided, however, that in no event shall this lease terminate if production of oil and/or gas from a well located on said land, or on lands pooled therewith, has not permanently ceased. If operations commenced during the primary term are discontinued less than 90 days before the end of the term, this lease shall not terminate at the end of the primary term if operations are again conducted within 90 days after the discontinuance. Whenever used in this lease the word "operations" shall refer to any of the following and any activities related thereto: preparing location for drilling, drilling, coring, testing, completing, equipping, reworking, recompleting, deepening, plugging back, de-watering, water disposal, or repairing of a well in search of or in an endeavor to obtain production of oil and/or gas and production of oil and/or gas whether or not in paying quantities.

3. (Royalty) LESSEE covenants and agrees to pay the following royalties: (a) To deliver to the credit of the LESSOR into tank reservoirs or into the pipeline to which LESSEE may connect its wells, one-eighth (1/8<sup>th</sup>) of the oil produced and saved from said land, LESSOR's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of the LESSEE, LESSEE may sell the oil produced and saved from said land and pay LESSOR one-eighth (1/8<sup>th</sup>) of the net amount realized by LESSEE, whether the point of sale is on or off said land; (b) To pay LESSOR on gas produced from said land (1) when sold by LESSEE, whether the point of sale is on or off said land, one-eighth (1/8<sup>th</sup>) of the net amount realized by LESSEE, or (2) when used by LESSEE for purposes other than those specified in Paragraph numbered 7 of this lease, the market value, at the wellhead of one-eighth (1/8<sup>th</sup>) of said gas. Prior to payment of royalty, LESSOR shall execute a Division Order setting forth its interest in production. LESSEE may pay all taxes and privilege fees levied upon the oil and gas produced, and deduct a proportionate share of the amount so paid from any monies payable to LESSOR hereunder.

4. (Shut In) If any well, capable of producing oil and/or gas, whether or not in paying quantities, located on said land, or on lands pooled or communitized with all or part of said land, is at any time shut-in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut-in, whether before or after expiration of the primary term. LESSEE shall use reasonable diligence to market such oil and/or gas capable of being produced from such shut-in well, but shall be under no obligation to reinject or recycle gas, or to market such oil and/or gas under terms, conditions, or circumstances which in LESSEE's judgement are uneconomic or otherwise unsatisfactory. If all wells on said land, or on lands pooled or communitized with all or part of said land are shut-in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut-in, Lessee shall be obligated to pay or tender, as royalty, to LESSOR, (at LESSOR's address), or its successors, as LESSOR's agent, which shall remain as the depository regardless of change in ownership of royalties, shut-in royalties or other money, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided however, that if production from a well or wells is sold or used off the premises before the end of any such period or, if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in wells, LESSEE shall not be obligated to pay or tender said sum of money for that annual period. This shut-in royalty payment may be made in currency, draft or check at the option of LESSEE, and the depositing of such payment in any post office, with sufficient postage and properly addressed to LESSOR, or said bank, within 60 days after expiration of the annual period shall be deemed sufficient payment as herein provided. This lease shall remain in force so long as such well is capable of producing in paying quantities, and Lessee's failure to properly pay shut-in royalty shall render LESSEE liable for the amount due but shall not operate to terminate this lease.

5. **(Express or Implied Obligations)** In the event LESSOR considers that LESSEE has not complied with its obligations hereunder, both express and implied, LESSOR shall give written notice to LESSEE, setting out specifically in what respects LESSEE has breached this contract. LESSEE shall have 60 days from receipt of such notice to commence and thereafter pursue with reasonable diligence such action as may be necessary or proper to satisfy such obligation of LESSEE, if any, with respect to LESSOR's notice. Neither the service of said notice nor the doing of any acts by LESSEE intended to satisfy any of the alleged obligations shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder. No judicial action may be commenced by LESSOR for forfeiture of this lease or for damages until after said 60 day period. LESSEE shall be given a reasonable opportunity after judicial ascertainment to prevent forfeiture by discharging its express or implied obligation as established by the court. If this lease is canceled for any cause, it shall nevertheless, remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by LESSEE in such shape as then existing spacing rules permit, and (b) any part of said land included in a pooled unit on which there are operations. LESSEE shall also have such easements on said land as are necessary or convenient for operations on the acreage so retained.

6. **(Actual Interest)** If this lease covers less than the entire undivided interest in the oil and gas in said land (whether LESSOR's interest is herein specified or not), then the royalties and extension payment as provided in this lease shall be paid to LESSOR only in the proportion which the interest in oil and gas covered by this lease bears to the entire undivided interest therein.

7. **(Lessee's Rights)** LESSEE shall have the right to use, free of cost, gas, oil and water produced on said land for LESSEE's operations hereunder, except water from said wells of LESSOR. When requested by LESSOR, LESSEE shall bury LESSEE's pipelines below plow depth. No well shall be drilled nearer than 200 feet from the house or barn now on said land without written consent of LESSOR. LESSEE shall pay for damages caused by LESSEE's operations to growing crops on said land. LESSEE shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing and any other downhole equipment and fixtures.

8. **(Pooling Clause: General)** LESSEE is hereby granted the right to pool or unitize said land, or any part of said land, with other lands, as to any or all minerals or horizons, to establish units containing not more than approximately 320 acres; provided, however, such units may be established so as to contain not more than approximately 640 acres as to any or all of the following: (a) gas, (b) oil produced from formations below the base of the Black River Lime and (c) oil produced from wells classified as gas wells by the regulatory agency having jurisdiction. If larger units than those permitted above, either at the time established or thereafter, are required or permitted under any governmental rule or order for the drilling or operation of a well at a regular location or obtaining the maximum allowable from any well or for any other reason, then the maximum unit size authorized hereby shall conform to the size required or permitted by such governmental rule or order. LESSEE may enlarge the unit to the maximum area permitted herein and reform said unit to include after-acquired leases within the unit area. LESSEE may create, enlarge or reform the unit or units as above provided at any time, and from time to time, during the continuance of this lease, either before or after production is obtained. A unit established hereunder shall be effective for all purposes of this lease, whether or not all interests in the lands in the unit are effectively pooled or unitized. In no event shall LESSEE be required to drill more than one well in each unit. LESSEE may reduce or terminate such unit or units at any time prior to discovery of oil or gas on the pooled acreage, or at any time after discovery subsequent to the cessation of production. LESSEE may create, enlarge, reform, reduce, or terminate each unit by recording a written declaration to that effect in the office of the Register of Deeds in the county or counties in which such unit is located. Any operations conducted on any part of the lands pooled shall be deemed to be on the lands leased herein within the meaning of all provisions of this lease. Production of oil and/or gas from the unit shall be allocated to the lands described herein which are included in the unit in the same proportion as the number of surface acres in the lands described herein which are included in the unit bears to the total number of surface acres in the unit.

9. **(Pooling Clause for Shallow Formations)** In addition to the right to pool granted to the LESSEE, in paragraph numbered 8 above, for the purpose of promoting the development of hydrocarbon production from shallow formations, as hereinafter defined, LESSEE is granted the right to pool or unitize the shallow formations in said land, or any part of said land with other lands, to establish units no more than approximately 2,560 acres. "Shallow formations" are defined as geologic formations between the surface of the earth and the base of the St Peter Sandstone Formation. All provisions of Paragraph numbered 8, including those regarding LESSEE's identification of a unit, the effect of operations conducted thereon and the allocation of production from wells thereon, shall apply in the same manner to a unit formed pursuant to this paragraph for production from shallow formations, except to the extent inconsistent with this paragraph. LESSEE may expand the unit to include additional lands until a maximum of 2,560 acres is included in the unit.

10. **(Future Regulations State or Federal)** All present and future rules, regulations and orders of any governmental agency pertaining to well spacing, drilling, or production units, use of materials and equipment, or otherwise, shall be binding on the parties hereto with like effect as though incorporated herein at length, provided, however, that no such rule, regulation or order shall (a) prevent LESSEE from pooling oil and/or gas development units as provided in Paragraphs numbered 8 and 9 hereof, larger than the well spacing, drilling or production units prescribed or permitted by such rule, regulation or order or (b) require a greater density for shallow formation wells than required by Paragraph numbered 9 above.

11. **(Operations if land is subdivided)** If, after the date hereof, the leased premises shall be conveyed in severalty or in separate tracts, the premises shall, nevertheless, be developed and operated as one lease, except that royalties as to any producing well shall be payable to the owner or owners of only those tracts located within the drilling unit designated by the state regulatory agency for such well and apportioned among said tracts on a surface acreage basis; provided, however, if a portion of the leased premises is pooled with other lands for the purpose of operating the pooled unit as one lease, this paragraph shall be inoperative as to the portion so pooled.

12. **(Acts of God, etc.)** If LESSEE is prevented from, or delayed in commencing, continuing, or resuming operations, or complying with its express or implied obligations hereunder by circumstances not reasonably within LESSEE's control, this lease shall not terminate and LESSEE shall not be liable in damages so long as said circumstances continue (the "period of suspension"). These circumstances include, but are not limited to the following: Conflict with federal, state or local laws, rules, regulations, and executive orders, acts of God, strikes, lockouts, riots, wars, improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by LESSEE, equipment failures, inability to obtain materials in the open market or to transport said materials. If the period of suspension commences more than 90 days prior to the end of the primary term of this lease, then that period of suspension shall be added to the primary term. If the period of suspension commences less than 90 days prior to the end of the primary term or at any time after the primary term, this lease shall not terminate if LESSEE shall commence or resume operations within 90 days after the end of the period of suspension.

13. **(Estate)** If the estate of either party hereto is assigned, the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this lease shall extend to such party's heirs, devisees, legal representatives, successors or assigns. Notwithstanding any other actual or constructive knowledge of the record owner of this lease, no change in the ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on the then record owner of this lease until 45 days after the record owner has received, by

certified mail, written notice of such change, and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of record owner to establish the validity of such change of ownership or division of interest. No change or division in the ownership of said land, royalties or other monies, or any part thereof however accomplished, shall increase the obligations or diminish the rights of LESSEE, including, but not limited to, rights and obligations relating to the locating and drilling of wells and the measurement of production. Upon assignment by LESSEE, its successor or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this lease express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of any other part.

14. (Warranty) LESSOR hereby warrants and agrees to defend the title to said land, and agrees that LESSEE may at any time pay all or part of any land contract, mortgage, taxes, or other liens or charges with respect to said land, either before or after maturity, and be subrogated to the rights of the holder thereof, and may reimburse itself by applying to such payments any royalty or other monies payable to LESSOR hereunder. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as LESSOR.

15. (Surrender of Lease) LESSEE may at any time surrender this lease as to all or part of said land, by delivering or mailing a release to LESSOR if the lease is not recorded, or by placing a release of record in the proper county if the lease is recorded. If the lease is surrendered only as to part of said land, any shut-in royalties which may thereafter be payable hereunder shall be reduced proportionately.

16. (Written Notification) All written notices permitted or required by this lease to be given LESSOR and LESSEE herein shall be at their respective addresses listed hereinabove, shall be by certified United States mail, and shall identify this lease by date, parties, description and recording data; provided that either party may change such notice address by giving written notice to the other party specifying the new address.

17. (Option to Extend) This lease may, at LESSEE'S option, be extended as to all or part of the lands covered hereby for an additional primary term of (5) years commencing on the date that the lease would have expired but for the extension. LESSEE may exercise its option by paying or tendering to LESSOR an extension payment of Fifteen and 00/100 (\$15.00) dollars per net acre for the land then covered by the extended lease, said bonus to be paid or tendered to LESSOR at the address specified above. If LESSEE exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term. LESSEE'S option shall expire on the first to occur of the following: (a) the termination or expiration of this lease or (b) the second anniversary of the expiration of the primary term stated in Paragraph numbered 2 above.

18. (Unitization) LESSOR agrees to participate in and to execute a unitization agreement as provided by Lessee, pooling this land with other lands to create a production unit(s).

19. (Additional Damages/Drilling Fee) In addition to paying Lessor for growing crops damaged by Lessee's operations, Lessee agrees to pay Lessor, as additional surface damages, the sum of Five Thousand Dollars (\$5,000.00) for each drilling pad located on the leased premises. This payment shall be made prior to commencing operations on said pad.

Executed as of the day and year first above written.

(Seal) Cecil Coleman  
Cecil Coleman

(Seal) Carol B. Coleman  
Carol B. Coleman

(Seal) David K. Coleman  
David K. Coleman

#### ACKNOWLEDGEMENT

State of Indiana

County of Pike

On March 3, 2006 before me, the undersigned, a Notary Public in and for said State, personally appeared Cecil Coleman, Carol B. Coleman & David K. Coleman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

My commission expires 7-27-2016  
Signature / Notary Public David Gould  
Name / Notary Public (print) David Gould

Document prepared by: Mason Dixon Energy, Inc., 101 Cambridge Place, Bridgeport, WV 26330

Prescribed by the  
State Board of Accounts  
2005

County Form 170

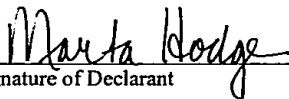
**Declaration**

This form is to be signed by the preparer of a document and recorded with each document in accordance with IC 36-2-7.5-5 (a).

I, the undersigned preparer of the attached document, in accordance with IC 36-2-7.5, do hereby affirm under the penalties of perjury:

1. I have reviewed the attached document for the purpose of identifying and, to the extent permitted by law, redacting all Social Security numbers;
2. I have redacted, to the extent permitted by law, each Social Security number in the attached document.

I, the undersigned, affirm under the penalties of perjury, that the foregoing declarations are true.

  
\_\_\_\_\_  
Signature of Declarant

Marta Hodge  
Mason Dixon Energy, Inc.  
Printed Name of Declarant