

FILE NO. 1095 MARGARET E. SEVERTSON TO TEXASGULF INC.

HM RAL/SUL Form
9/91

The State of Texas



Austin, Texas

MINING LEASE

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DATE

THIS MINING LEASE is made and entered into this 25th day of March, 1992, between the State of Texas, hereinafter referred to as "LESSOR", "State of Texas" or "State", acting by and through its agent, MARGARET E. SEVERTSON of 1595 Los Osos Valley Road, 10B, Los Osos, California 93402, said agent hereinafter referred to as the "owner of the soil" (whether one or more), and TEXASGULF INC. of P.O. Box 488, Newgulf, Texas 77462 hereinafter referred to as "LESSEE". The owner of the soil executes this lease in both that owner's capacity as agent of the State and as the owner of the surface estate. LESSEE, as used herein, shall also include any successor, assignee, devisee, legal representative or heir who acquires any right or obligation initially held by this named LESSEE under this lease.

1. **GRANTING CLAUSE:** For and in consideration of the amounts stated below and of the covenants and agreements of this lease hereby agreed to be paid, kept and performed by LESSEE, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto LESSEE, for the sole and only purpose of prospecting for, exploring for, producing, developing, mining (by drilling, boring, open pit, underground mining, strip mining, Frasch or any other solution mining or any other method permitted herein), extracting, milling, removing, and marketing the following: sulphur, hereinafter referred to as the "named material", and the rocks, minerals and mineral substances that are contained in or are necessarily and actually produced in conjunction with or incidental to the named material (the named material and the other rocks, minerals and mineral substances granted herein are hereinafter collectively referred to as the "leased minerals"), and no other material or mineral, the following lands situated in Reeves County, Texas, to wit:

20 acres of land, more or less, out of the Northeast corner of Section 40, Block 72, Public School Land Survey, more particularly described by metes and bounds in that certain Warranty Deed dated March 23, 1910, recorded Volume 27, Page 34, Deed Records, Reeves County, Texas, from D.H. Mitchell and wife, F.C. Mitchell, to G.C. Ewart

m.e.s.
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