H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

41 08

RECORDED JUNE 25, 1982 BK 68 PG 1

NO. 340425 B. J. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this ..... day of April, 19 82, between Jack Powers and Jack McKay, Husband and Wife

of Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and J. J. Sherwood of Tacoma, Washington, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Forty and no/100---------- Dollars ($ 40.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to fed, produce, save, store, treat, transport, and take care of all or such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 84 West of the 6th P.M.

Section 1: situated in SW¼

Commencing at a stone at the West quarter corner of said Sec. 1; thence North 1 degree 00 minutes E. 1331.5 feet to the point on the center line of the County road, thence S. 84 degrees 45 minutes E. 268.5 feet along center line of said road, thence S. 71 degrees 45 minutes E. 1123.3 feet along the center line of said road, thence S. 64 degrees 58 minutes E. 303.2 feet along the center of said road, thence S. 1 degree 00 minutes W. 798.5 feet to the East and West center line of Sec. 1, thence S 89 degrees 00 minutes W. 1610 feet along the East and West center line of said Sec. to the point of beginning, containing 41.8 acres, more or less, except a strip 40 feet wide on the West side reserved for Public road and having an area of 1.4 acres.

AP JP

and containing 40 acres, more or less, ~~and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~

AP JP

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 6 day of April, 19 82. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Forty and no/100---------- Dollars ($ 40.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

AP JP

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. **LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office** of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any act by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damage for failure to comply with [illegible] nants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of any [illegible] orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delay ing cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Anna Pegump (SEAL)

Jack Pegump (SEAL)

(SEAL)

(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF Wyoming }
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 26 day of April, 195 2, before me personally appeared Anna Pegump and Jack Pegump, Her husband,

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 26th day of April, 195 2

My Commission Expires: May 1, 1956

Helen L Edwards

Notary Public

PUBLIC SHERIDAN COUNTY, WYO.

M. & R. 1-25-52

[illegible] 80175

[illegible], COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 23rd day of April, 19 52, by and between Jackson D. Bentley and Louise H. Bentley, his wife,

of 640 S. Main, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and Shell Oil Company, A Delaware Corporation, Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 81 West
Section 32: Lots 2, 3, 4, 5, 6 & 7
Section 33: Lot 7 & Tract 46
Section 33 and 28: Tract 50
Section 33 and 34: Tract 45, all of the above being described according to the United States Government Resurvey.

Township 54 North, Range 81 West
Section 8: NE¼
Section 9: N½ & SE¼

and containing 1440.24 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Seven Hundred Twenty and 01/100 - - - - - - - - - - - - - Dollars ($720.01), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 23rd day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agents and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas or of the rentals or royalty to accrue hereunder), a rental of the sum of One Thousand Four Hundred Forty and 02/100 - - - - - - - - - - - - - - Dollars ($1440.02), which shall cover the privilege of

Jackson D. Bentley
Louise H. Bentley

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

Jackson P. Bentley
Louise H. Bentley

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

19. LESSOR shall have gas free of charge from any gas well on the leased premises for any purpose by making his own connections so long as this amount does not exceed the LESSOR'S 1/8th royalty interest, the use of said gas to be at the LESSOR'S sole risk and expense.

20. If at any time during the primary term hereof, LESSEE shall drill a dry bore hole and abandon same on said land, LESSOR shall have the right, at his own expense and risk, to use said dry bore hole for the production of water. LESSOR shall assume all responsibility for said bore hole once the well has been plugged to a depth agreed on by both parties.

21. When LESSEE shall have established roads on said land for transportation to and from a drilling location, LESSEE shall use all diligence to see that transportation of equipment is restricted to such roads.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Jackson D. Bentley (SEAL)
Jackson D. Bentley

Louise H. Bentley (SEAL)
Louise H. Bentley Lessor

_____ (SEAL)

_____ (SEAL)

STATE OF WYOMING)
)SS.
COUNTY OF SHERIDAN)

On this 23rd day of April, 1952, before me personally appeared Jackson D. Bentley and Louise H. Bentley, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

W. P. Marshall
Notary Public

My Commission expires:
November 18, 1953

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

#13

RECORDED JUNE 25, 1952 BY 98 PG 6 **OIL AND GAS LEASE** NO. 30427 R. T. [illegible]

THIS AGREEMENT, entered into this 21st day of April, 1952, between Russell Channel, and Helen Channel, formerly Helen Lattesson, his wife of Park Street Hill, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and ore - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 54 North, Range 82 West
Section 10: NE¼.
Section 11: NW¼; W½NE¼.

and containing 320 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitzed as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Russell Channel (SEAL)
Russell Channel

Helen Channel (SEAL)
Helen Channel

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming } SS.
COUNTY OF Sheridan }

Wyoming—Individual

On this 21st day of April, 1952, before me personally appeared Russell Channell and Helen Channel, formerly Helen Latteson, his wife,

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
[illegible]

Ruth Barnhart
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 28 PG 8 NO. 340423 B. E. HUTH, COUNTY CLERK

THIS AGREEMENT, entered into this 17th day of April, 19 52, between George C. Ball, one and the same person as George Ball, and Stella Opal Ball, his wife, of Box 575, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 56 North, Range 84 West
Section 36: NW¼ NE¼.

and containing 240 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 17th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in First National Bank, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Two Hundred Forty and no/100 - - - - - - Dollars ($ 240.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is pervented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

George C. Ball (SEAL)
George C. Ball

Stella Opal Ball (SEAL)
Stella Opal Ball

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming } SS.
COUNTY OF Sheridan

Wyoming—Individual

On this 17th day of April, 1952, before me personally appeared George B. Ball one and the same person as George Ball, and Stella Opal Ball, his wife,

to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that t he executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Donald E Jones
Notary Public

H.O. 553(b) Rev. 11 Printed in U.S.A.
(Producers 88 R.M. Special- Wyo.) 1-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BY 88 PG 10

THIS AGREEMENT, entered into this 18th day of April, 1952, between Frank L. Hill and Eula A. Hill, his wife, of Rt. 1, Buffalo, Wyoming hereinafter called "LESSOR" (whether one or more), and C.A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars ($ 10.00) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geological and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to wit:

TOWNSHIP 55 NORTH, RANGE 83 WEST
Section 6: Lots 6 & 7. Subject to right of way for roads

TOWNSHIP 55 NORTH, RANGE 84 WEST
Section 1: E½SE¼. Subject to right of way for roads

and containing 158.36 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 18th day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Wyoming Loan and Trust Company Bank, at Buffalo, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Fifty Eight and 36/100 --- Dollars ($ 158.36), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Frank L. Hill (SEAL)

(SEAL)

Eula A. Hill (SEAL)

(SEAL)
Lessor

11

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

On this 18th day of April, 1952, before me personally appeared Frank L. Hill and Eula A. Hill, his wife,

to me known to be the person S described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 18th day of April, 1952.

My Commission Expires:
April 7th 1954

James G. Watson
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED FEB 25, 1952 BK 18 PG 12 [illegible] CLERK

THIS AGREEMENT, entered into this 21st day of April, 19 52, between Carl G. Nelson and Dorothy J. Nelson, one and the same [illegible], his wife, of Prairie Star Route, Sheridan, [illegible], hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and no/100 - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 56 North, Range 73 West
Section 17: SW; [illegible]

and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land, and containing 200 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Two Hundred and no/100 - - - - - - - - - - Dollars ($ 200.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank, on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Carl G. Nelson (SEAL)
Carl G. Nelson

Dorothy J. Nelson (SEAL)
Dorothy J. Nelson

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming }
COUNTY OF Sheridan } SS.

On this 21st day of April, 1952, before me personally appeared Carl G. Nelson and Dorothy J. Nelson, his wife; Dorothy J. Nelson, one and the same person as Dorothy G. Nelson

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Ruth Baumbach
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

RECORDED JUNE 25, 1952 BK 38 PG 14

OIL AND GAS LEASE

SHOBAL R. R. HEIS, COUNTY CLERK

THIS AGREEMENT, entered into this 25th. day of April, 1952, between Rosa M. Davis, a widow, and Dorothy E. Mooney and Leroy M. Mooney her husband, of Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More- - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein, is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 56 North Range 83 West of the 6th. Principal Meridian
A tract of land out of the E½SW¼ and SE¼ of Section 31 and the W½SW¼ of Section 32 and being described by metes and bounds as follows:

Beginning at a point on the West line of NE¼SW¼ of said Section 31, said point being 990 feet South of the Northwest corner of said NE¼SW¼ of said Section 31;
Thence South 87 degrees 30 minutes East 1768 feet;
Thence South 3 degrees 18 minutes East 120 feet;
Thence South 87 degrees 30 minutes East 2048 feet;
Thence South 88 degrees 31 minutes East 611 feet;
Thence North 25 degrees 25 minutes West 135 feet;
Thence South 88 degrees 31 minutes East 770 feet, more or less, to a point on the East line of said W½SW¼ of said Section 32;

Thence South along the East line of said W½SW¼ of said Section 32 a distance of 1003 feet;
Thence North 89 degrees 27 minutes West 429 feet;
Thence South 180 feet;
Thence North 89 degrees 27 minutes West 891 feet;
Thence North 87 degrees 24 minutes West 1850 feet;
Thence North 18 degrees 39 minutes West 193 feet;
Thence North 87 degrees 24 minutes West 1902 feet, more or less to a point on the West line of said E½SW¼ of said Section 31;
Thence North 990 feet, more or less to the point of beginning, and containing 144 acres of land more or less.

R M D
D.E.M.
L.M.M.

and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land, and containing 144 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 25th. day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Forty Four and No/100- - - - - - Dollars ($ 144.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank for any cause or bank shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas, or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Rosa M. Davis (SEAL)
Rosa M. Davis

Dorothy E. Mooney (SEAL)
Dorothy E. Mooney

Leroy M. Mooney (SEAL)
Leroy M. Mooney

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 25th. day of April, 1952, before me personally appeared Rose M. Davis, a widow, and Dorothy E. Mooney and Leroy M. Mooney, her husband,

to me known to be the persons described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 25th day of April, 1952.
My Commission Expires:

Opeitha Richardson
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 88 PG 16 NO. 340432 B. B. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 17th day of April, 19 52, between Ralph H. Brundage, one and the same person as Ralph Brundage, a single man of 825 West Loucks Avenue, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 84 West
Section 1: SW SW¼.
Section 12: NW¼.
Township 55 North, Range 83 West
Section 7: Lots 1, 2; SE¼NW¼.

and containing 318.54 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 17th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Eighteen and Fifty Four/100 - Dollars ($ 318.54), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Ralph H. Brundage (SEAL)
Ralph H. Brundage

(SEAL)

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 17th day of April, 1952, before me personally appeared Ralph H. Brundage, one and the same person as Ralph Brundage, a single man,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
My Commission expires July 6, 1952

Donald E. Jones
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 88 PG 18 NO. 340433 B. B. HINE, COUNTY CLERK

THIS AGREEMENT, entered into this 25th day of April, 19 52, between Leo J. Harrington and Mabel Harrington, his wife, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming to-wit:

Township 56 North, Range 83 West of the 6th P. M.
63.625 acres in NE¼SW¼, N½SE¼ Section 31, and NW¼SW¼ of Section 32, described as follows:

Beginning at a point, said point being the Northwest corner of the NE¼SW¼ of said Section 31, thence East along the East and West center line of said Section 31 to the East Quarter corner of said Section 31; thence East along the East and West center line of Section 32 to the Northeast corner of the NW¼SW¼ of Section 32; thence South along the East line of NW¼SW¼ of said Section 32, 501.5 feet; thence North 88° 31' West 770 feet; thence South 25° 25' East 67.5 feet; thence North 88° 31' West 582 feet; Thence North 87° 30' West 2048 feet; thence North 3° 18' West 60 feet; thence North 87° 30' West 1768 feet, more or less, to a point on the West line of the NE¼SW¼ of said Section 31; thence North along the West line of NE¼SW¼ of said Section 31, 495 feet, more or less to the point of beginning.

and containing 63.625 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 25th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Sixty Three and 63/100- - - - - - - - - - - Dollars ($63.63), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is pervented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitzed as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Leo J. Harrington (SEAL)
Leo J. Harrington

Mabel Harrington (SEAL)
Mabel Harrington

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming } SS.
COUNTY OF Sheridan

On this 2nd day of May, 195 2, before me personally appeared Leo J. Harrington and Mabel Harrington, his wife,

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 88 PG 20 NO. 340434 B. E. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 17th day of April, 1952, between Joseph B. Marschang and Capatola E. Marschang, his wife, of Box 519, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more - - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 84 West
Section 1: NW.SW.

, and containing 40 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 17th day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Forty and no/100 - - - - - - - - - - - - - Dollars ($40.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations, unless it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Joseph B. Marschang (SEAL)
Joseph B. Marschang

Capatola E. Marschang (SEAL)
Capatola E. Marschang

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming }
COUNTY OF Sheridan } SS.

On this 17th day of April, 1952, before me personally appeared Joseph B. Marschang and Capatola E. Marschang, his wife

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
My Commission Expires July 12, 1952

M. Jewline
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 23, 1952 BK 3 PG 22 NO. [illegible]

THIS AGREEMENT, entered into this.....day of....., 19....., between .....

....., of.....hereinafter called "LESSOR" (whether one or more), and

....., "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of..... Dollars ($.....) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on

said land or adjacent land, the following described tract of land in..... County, ... , to-wit:

Township 56 North Range 83 West of the 6th. Principal Meridian
Section 17: SW¼SW¼
Section 18: All thatpart of the SE¼ lying Southeasterly of the Southeast right of way line of the Chicago, Burlington and Quincy Railroad.
Section 19: N½NE¼ & NE¼NW¼
Section 20: N½N½

Subject to the Right of way of the Chicago, Burlington and Quincy Railroad, and containing 260 acres of land more or less.

E.S.
L.S.

.....

.....

.....

.....

.....

.....

.....

~~and also in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~ ..... and containing.....acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the.....day of.....19..... If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in.....

.....Bank, at.....

.....or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of.....Dollars ($.....), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the .....of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. ~~LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any~~ part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the ~~vicinity thereof~~, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the ..... of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this ~~lease, and there~~ shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the ~~lands so~~ pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the ~~payment~~ or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the ~~same manner as though produced from such portion of the leased premises under the terms of this lease.~~

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Lee Swartz .....(SEAL)

Edythe Swartz .....(SEAL)

.....(SEAL)

.....(SEAL)
Lessor

STATE OF.....
COUNTY OF.....
} SS.

Wyoming—Individual

On this.....day of....., 195....., before me personally appeared

.....

.....,

to me known to be the person..... described in and who executed the foregoing instrument, and acknowledged that .....he.....
executed the same as.....free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

.....

Ruth Kaufmann
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 88 PG 24 NO. 2[illegible]36 E. P. HYDE, COUNTY CLERK

THIS AGREEMENT, entered into this 18th day of April, 1952, between Grace E. Merrow, a widow, of 335 W. Works Street, Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - - - Dollars ($ 10.00) to paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Subject to right of way for roads.

A tract of land situated in the SE¼SW¼ and S½ SE¼ of Section 31, and SW¼SW¼ of Section 32, in Township 56 North, Range 83 West of the Sixth Principal Meridian, described as follows:

Beginning at a point on the West line of the Southeast quarter of the Southwest quarter of said Section 31 1980 feet South of the Northwest corner of the NE¼SW¼ of said Section; thence South 87°24' East 1902 feet; thence South 18°39' East 193 feet; thence South 87°24' East 1850 feet; thence South 89°27' East 891 feet; thence North 180 feet; thence South 89°27' East 429 feet, more or less, to the East line of the SW¼SW¼ of said Section 32; thence South to the Southeast corner of said SW¼SW¼; thence West on the Township line to the Southwest corner of the SE¼SW¼ of said Section 31; thence North 660 feet, more or less, to the point of beginning;

The NW¼NW¼ of Section 5; the NE¼NE¼, the W½ NE¼, the SE¼NW¼, the NE¼SW¼ of Section 6; also all that part of the SW¼NW¼ of Section 6 lying East of the county road known as the Park Street Road, in Township 55 North, Range 83 West of the Sixth Principal Meridian.

and containing 308.70 acres, more or less; and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 18th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Eight and 70/100- - - - - - Dollars ($ 308.70), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

County Clerk

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Grace E Morrow (SEAL)
Grace E. Morrow

(SEAL)

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 18th day of April, 1952, before me personally appeared Grace E. Morrow, a widow,

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as her free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 2nd day of MAY, 1952.

My Commission Expires:
OCTOBER 16, 1954

E. K. Monroe
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 28 PG 26 NO. 240437 B. F. HIMS, COUNTY CLERK

THIS AGREEMENT, entered into this 25th day of April, 19 52, between Annie Fairbank and Claude A. Fairbank, her husband, of Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to wit:

Township 56 North, Range 83 West of the 6th P. M.
All that portion in the NE¼SW¼, N½SE¼ of Section 31, and NW¼SW¼ of Section 32, described as follows:

Beginning at a point, said point being 495 feet South of the Northwest corner of the NE¼SW¼ of said Section 31, and in the West line of said NE¼SW¼ of said Section 31, thence South 87° 30' East 1768 feet, to a point; thence South 3° 18' East 60 feet; thence South 87° 30' East 2048 feet; thence South 88° 31' East 582 feet; thence North 25° 25' West 67.5 feet; thence South 88° 31' East 770 feet, more or less to a point in the East line of the NW¼SW¼ of Section 32; thence South along the East line of the NW¼SW¼ of said Section 32, 501.5 feet; thence North 88° 31' West 770 feet; thence South 25° 25' East 135 feet; thence North 88° 30' West 611 feet; thence North 87° 30' West 2048 feet; thence North 3° 18' West 120 feet; thence North 87° 30' West 1768 feet, more or less, to a point on the West line of NE¼SW¼ of Section 31; thence North along the West line of the NE¼SW¼ of said Section 31, 495 feet, more or less, to the point of beginning.

C.A.F.
A.F.

and containing 63.625 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable in pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 25th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Sixty Three and 63/100- - - - - - - - - - Dollars ($63.63), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his heirs, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops therefore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the ..... of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitzed as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Annie Fairbank (SEAL)
Annie Fairbank

Claude A. Fairbank (SEAL)
Claude A. Fairbank

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 2 day of May, 195 2, before me personally appeared Annie Fairbank and Claude A. Fairbank, her husband

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Notary Public

H.O. 553(b) Rev. 11 Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 1-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 83 PG 28 NO. 340432 B. P. [illegible], COUNTY CLERK

THIS AGREEMENT, entered into this 18th day of April, 1952, between Donald L. King and Dorothy G. King, his wife,

of Ft. L, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and

J.A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars ($10.00 and more) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to wit:

Township 5 South, Range 83 West

Section 6: SE/4 Sec.

Section 7: E/2 E/2 Sec.

Subject to right of way for more.

and containing 200 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~six (6)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it merketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 18th day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Two Hundred and no/00 ---------- Dollars ($200.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

[signature] (SEAL)

(SEAL)

[signature] (SEAL)

(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF [illegible] } SS.
COUNTY OF [illegible]

Wyoming—Individual

On this 14th day of April, 1952, before me personally appeared [illegible] and [illegible] C. [illegible], his wife,

to me known to be the person[illegible] described in, and who executed the foregoing instrument, and who acknowledged to me that [illegible] executed the same as [illegible] free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 14th day of April, 1952.

My Commission Expires:
OCTOBER 16, 1954

[illegible]
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special Wyo.) 2-62

RECORDED JUNE 27, 1962 AT 12 PM 30 [illegible] COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this ..... day of ..... 19..., between .....

..... of ..... hereinafter called "LESSOR" (whether one or more), and

..... "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of ..... Dollars ($.....), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in ..... County, ... to wit:

.....

.....

.....

.....

..... and containing ..... acres, more or less.

~~And also in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the ..... day of ..... 19..... If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in ..... Bank, at ....., or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of ..... Dollars ($.....), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixtey (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. **LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the ..... of said county.** Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

George Montgomery ..... (SEAL)

..... (SEAL)

Pearl Montgomery (SEAL)

..... (SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF [illegible] }
COUNTY OF [illegible] } SS.

Wyoming—Individual

On this 18th day of [illegible], 195[illegible], before me personally appeared [illegible],

to me known to be the person [illegible] described in, and who executed the foregoing instrument, and who acknowledged to me that he executed the same as [illegible] free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 18 day of April, 1953.

My Commission Expires:
March 24, 1954

Milian A. Redle
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 88 PG 32

THIS AGREEMENT, entered into this 21st day of April, 1952, between Cyrus F. W. Noland and Constance O. Noland, his wife, of P. O. Box 556, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more) and C. A. Fleetwood, of Casper, Wyoming "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming to wit:

Township 55 North, Range 84 West

Section 1: E½SW¼; and a tract of land in the SE¼NW¼ containing 10 acres, more or less, and being more fully described as follows: Commencing at a point on the South line of the Northwest quarter of said Section 1, which point is North 89 degrees East 1619 feet from the West corner of said Section; thence North 1 degree East 798.5 feet to a point on the center line of United States Highway Numbers 14 and 16; thence following the center line of said Highway Southeasterly to the East line of the Northwest Quarter of said Section; thence South on the East line of said Northwest Quarter of said Section to the center of said Section; thence West along the South line of said Northwest quarter to the point of beginning; and a tract of land in the NW¼SW¼ containing 1 acre, more or less, and being more fully described as follows: The North 33 feet of the Northwest quarter of the Southwest quarter; containing in all, 91.0 acres, more or less, and being subject to the right of way for a public road.

CFWN
Con.

and containing 91.0 acres, more or less, ~~and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Ninety One and no/100 - - - - - - - - - - - Dollars ($91.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any act by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens, existing, levied, or assessed on or against the above described land, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Cyrus F. W. Noland (SEAL)
Cyrus F. W. Noland

Constance O. Noland (SEAL)
Constance O. Noland

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 21st day of April, 1952, before me personally appeared Cyrus F. W. Noland and Constance O. Noland, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 21st day of April, 1952.

My Commission Expires:
March 24, 1954

William A. Redle
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 IN BK 27 PG 34 NO. 34041 B. B. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 1st day of May, 19 52, between Roy G. Sieweke and Fern D. Sieweke, his wife; of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more/100 - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in the operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Those portions of the Southwest quarter of the Northeast quarter and the Southeast quarter of Section 36, Township 56 North, Range 84 West, and of the Southwest quarter of the Southwest quarter of Section 31, Township 56 North, Range 83 West of the Sixth Principal Meridian, containing 88.74 acres, more or less, described as follows:

Beginning at a point in the West line of the SW¼ NW¼ of said Section 36, 1612 feet South of the North one-fourth corner of said Section 36, thence South on the West line of said SW¼ NE¼ and the West line of the NW¼ SE¼ of Said Section 36 a distance of 1440 feet to a point; thence East 630 feet to a point; thence South 45 degrees East 500 feet to a point; thence South 6 degrees 30' West 407 feet to a point; thence South 58 degrees 30' West 218 feet to a point; thence South 896 feet to a point; thence South 85 degrees 00' East 896 feet to a point; thence South 16 degrees 00' West 414 feet to a point in the South line of the SE¼ SE¼ of said Section 36; thence East on said South line 1087 feet to the Southeast corner of said Section 36; thence East on the South line of said SW¼ SW¼ of said Section 31 a distance of 340 feet to a point on the West line of said County road; thence North 40 degrees 00' West 1420 feet to a point in the West line of said Road; thence North 26 degrees 45' West 1660 feet to a point in the West line of said Road; thence North 50 degrees 15' West 1700 feet to the point of beginning, said last three courses being along the West side of said County road.

~~and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~, and containing 88.74 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 1st day of May, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Eighty Eight and Seventy Four/100 - - - - - Dollars ($88.74), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank, on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all ~~/////~~ of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. Lessor shall pay all damage to improvements, water holes and irrigations structures on said land.

~~17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the ..... of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.~~

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Roy G. Sieweke (SEAL)
Roy G. Sieweke

Fern D. Sieweke (SEAL)
Fern D. Sieweke

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 1st day of May, 1952, before me personally appeared Roy G. Sieweke and Fern D. Sieweke, his wife,

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Ruth Barnhart
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

#21

RECORDED JUNE 25, 1952 BK 88 PG 36 NO. 340442 B. B. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 22nd day of April, 1952, between Charles L. Scrutchfield and Bertha M. Scrutchfield, his wife, of 623 Big Horn Avenue, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining, and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 56 North, Range 83 West
Section 18: The South 550 feet of the SE¼NW¼;

~~[illegible]~~ and containing 16.666 acres, more or less, ~~[illegible]~~ ~~five (5)~~ ~~[illegible]~~

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 22nd day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Sixteen and Sixty Seven/100 - - - - - - - - - Dollars ($ 16.67), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixtey (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Charles L. Scrutchfield (SEAL)
Charles L. Scrutchfield

Bertha M. Scrutchfield (SEAL)
Bertha M. Scrutchfield

(SEAL)

(SEAL)
Lessor

B.M.S. & C.L.S.

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 22nd day of April, 1952, before me personally appeared Charles L. Scrutchfield and Bertha M. Scrutchfield, his wife,

to me known to be the persons described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 22nd day of April, 1952.

My Commission Expires:

Ruth Barnhart
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BY [illegible]

THIS AGREEMENT, entered into this 26th day of April, 1952, between Edna E. Haywood, a single woman, of Box 533, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in prosecution on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 56 North, Range 84 West

Section 36: S½SW¼; All that part of the SE¼ and the SW¼NE¼ lying West of the Park Street-Prairie Dog County Road;

Township 56 North, Range 83 West

Section 31: All that part of the SW¼SW¼ lying West of the Park Street-Prairie Dog County Road;

Township 55 North, Range 84 West

Section 1: NE¼, except 1 acre of land conveyed to the School District, being 1 square acre in the Southeast corner of the NE¼;

Section 1: All that part of the NW¼ lying North of the right of way line of United States Highway Number 14 and 16, and East of the West 244 feet thereof, except the following described tracts of land:

- Tract 1: A tract of land conveyed to Grover C. Warren by Deed recorded in Book 69 of Deeds, Page 514;
- Tract 2: A tract of land conveyed to Harold M. Bennett and Elsie W. Bennett by Deed recorded in Book 75 of Deeds, Page 143;
- Tract 3: A tract of land conveyed to Edward V. Donahue and Dora Donahue by Deed recorded in Book 47 of Deeds, Page 57;
- Tract 4: A tract of land conveyed to Joe E. Legocki and Doris J. Legocki by Deed recorded in Book 78 of Deeds, Page 475;

Section 1: All that part of the NW¼SE¼ lying North of the right of way line of United States Highway Number 14 and 16;

Township 55 North, Range 83 West

Section 6: All that part of the SW¼NW¼ lying West of the Park Street-Prairie Dog County Road;

Section 6: All that part of the SE¼NW¼ lying West of the Park Street-Prairie Dog County Road;

and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land, and containing 463.99 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~one (1)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and an ice lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 26th day of April, 1953. If operation for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Denver National Bank, at Denver, Colorado, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Four Hundred Sixty Three and Ninety Nine/100 Dollars ($ 463.99), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in the manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank, on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for reprocessing, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for reprocessing, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines, below plow depth and shall pay for damages directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, house, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, device, or otherwise, or to furnish separate measuring or receiving tanks.

EMH

EMH

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Edna E. Haywood (SEAL)
Edna E. Haywood

(SEAL)

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 26th day of April, 1952, before me personally appeared Edna E. Haywood, a single woman

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK [illegible] PG 40 NO. [illegible] B. B. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 19th day of April, 1952, between S.J.Marsh, one and the same person as Syl Marsh and/or Sylvester Marsh, and Annie M. Marsh, one and the same person as Annie Marsh, his wife, of Rural Route #1, Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 84 West 5th P.M. a.m.m.

Section 1: SW¼SE¼; All that part of the NW¼SE¼ lying South of the Center line of United States Highway Numbers 14 and 16; The West 244 feet of the NW¼NW¼ lying North of the center line of said United States Highway Numbers 14 and 16;

and containing 83.94 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from 5th P.M. a.m.m. date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 19th day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Eighty Three and Ninety Four/100 - - - - - Dollars ($ 83.94), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

S J Marsh (SEAL)
S. J. Marsh

Annie M. Marsh (SEAL)
Annie M. Marsh

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming }
COUNTY OF Sheridan } SS.

On this 19th day of April, 195 2, before me personally appeared S. J. Marsh, one and the same person as Syl Marsh and/or Sylvester Marsh, and Annie M. Marsh, one and the same person as Annie Marsh, his wife to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Ruth Barnhart
Notary Public

STATE OF

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.)

OIL AND GAS LEASE

RECORDED JUNE 20, 1952 AT 10:00 AM. No. 80,[illegible] E. E. HUIE, COUNTY CLERK

THIS AGREEMENT, entered into this 12th day of May, 19 52, between Joe E. Legocki and Doris J. Legocki, his wife, of Rural Route #1, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - Dollars ($ 10.00) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building roads, erecting power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in the operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming to wit:

Township 55 North, Range 84 West

Section 1: A tract of land situated in the East half of the Northwest quarter of said Section 1, more particularly described as follows: Commencing at a point 948 feet South and 300 feet East of the Northwest corner of said E½NW¼, thence about South 76 degrees 30' East a distance of 1046 feet to a point in the East line of said E½NW¼, which point is 1192 feet South of the North line of said Section, thence South on said East line of the E½NW¼ of said Section a distance of 1173.5 feet to a point in the North right of way line of United States Highway Numbers 14 and 16; thence Northwesterly along said right of way line a distance of 1193 feet to a point; thence North 835 feet to the point of beginning; except a strip of land 40 feet wide and extending South from the Northwest corner of this tract a distance of 300 feet, along and adjacent to the West line of this tract; JEL DJL

~~and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~ and containing 23.12 acres, more or less. JEL

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided. DJL

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 12th day of May, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Twenty Three and Twelve/100- - - - - - - - - Dollars ($ 23.12), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

16. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax or other lien, any rights or rentals accruing hereunder.

17. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

18. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenant hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delay, to wit: During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

19. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Joe E. Legocki (SEAL)
Joe E. Legocki

Doris J. Legocki (SEAL)
Doris J. Legocki

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 12th day of May, 195 2, before me personally appeared Joe E. Legocki and Doris J. Legocki, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 12th day of May, 195 2.

My Commission Expires:

Ruth Eisenhart
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

OIL AND GAS LEASE

RECORDED JUNE 25, 1952 BK 33 PG 44 NO. 340446 E. D. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 12th day of May, 19 52, between Grover C. Warren, a single man, of Rural Route #1, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming to-wit:

Township 55 North, Range 84 West

Section 1: A tract of land in the NW¼NW¼, more particularly described as follows: Commencing at a point on the North line of said Section, 244 feet East of the Northwest corner of said Section; running thence East 200 feet to a point; thence South parallel to the West line of said Section a distance of 250 feet to a point; thence West 20 feet to a point; thence South parallel to the West line of said Section a distance of 100 feet to a point; thence East 20 feet to a point; thence South parallel to the West line of said Section to a point on the North right of way line of United States Highway Numbers 14 and 16; thence Westerly along said North right of way line to a point 244 feet East of the West line of said Section; thence North 1270 feet to the point of beginning;

and containing 6.0 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 12th day of May, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Six and no/100 - - - - - - - - - - - - - - - Dollars ($ 6.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, occuring more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is pervented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Grover C Warren (SEAL)

(SEAL)

(SEAL)

(SEAL)

Lessor

Wyoming—Individual

STATE OF Wyoming }
COUNTY OF Sheridan } SS.

On this 12th day of May, 195 2, before me personally appeared Grover C. Warren, a single man,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Gwen Barnhart
Notary Public

STATE OF

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

RECORDED JUNE 27, 1952 BK 84 PG 46

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 12th day of May, 19 52, between George W. Scobee and Flossie May Scobee, his wife, of Rural Route #1, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More/100 - - - - - - - - Dollars ($ 10.00), in hand paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees, in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 84 West

Section 1: A tract of land situate in the E½NW¼, being more particularly described as follows: Commencing at a point 948 feet South of the Northwest corner of the Northeast quarter of the Northwest quarter of said Section 1, said point being on the West line of said NE¼NW¼, thence East 300 feet, thence South 835 feet to a point on the North line of the United States Highway Numbers 14 and 16, thence in a Northwesterly direction following the North line of said Highway, a distance of 327 feet to a point on the West line of the Southeast quarter of the Northwest quarter of said Section 1, thence North along the West line of the East half of the Northwest quarter of said Section 1 to the point of beginning;

and containing 5.22 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 12th day of May, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Five and Twenty Two/100 - - - - - - - - - - - Dollars ($ 5.22), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

[illegible] LESSEE [illegible] lease [illegible] prevented by or is [illegible] to or in conflict with, or if such lease [illegible] the end of the Primary Term hereof, such term has not been extended by production [illegible] of any of the above recited causes, LESSEE is unable to drill a well on the leased premises for oil or gas, the Primary Term and [illegible] LESSEE [illegible] successively from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such cause [illegible] Lease shall remain in full force and effect.

17. The [illegible] this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

George W. Scobee (SEAL)
George W. Scobee

Flossie May Scobee (SEAL)
Flossie May Scobee

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 12th day of May, 195 2, before me personally appeared George W. Scobee and Flossie May Scobee, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he y executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 12th day of May, 195 2.

My Commission Expires [illegible]

Ruth Bamhart
Notary Public

M. & R. 1-25-52 80175

RECORDED JUNE 2, 1952 AT 9:00 A.M. [illegible]

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, by and between Emerson Hanson and Minnie B. Hanson, his wife.

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

TOWNSHIP 57 NORTH, RANGE 83 WEST
Section 23; SE¼

and containing 160 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Fifty (50) Dollars per well ~~Dollars ($~~, per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline. E. H. M.B.H.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 21st day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Sixty and No/100 - Dollars ($ 160.00), which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

E. H.
MTBA

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Emerson Hanson (SEAL)

Emerson Hanson (SEAL)

Minnie B. Hanson (SEAL)

Minnie B. Hanson (SEAL)

Lessor

(SEAL)

(SEAL)

Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 21st day of April, 19 52, before me personally appeared Emerson Hanson and Minnie B. Hanson, his wife.

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires:
March 24, 1954

William A. Redle
Notary Public

STATE OF
COUNTY OF
this

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 15th day of April, 1952, between George F. Williams and Laura E. Williams, his wife. Beaver Creek Ranch, Rt. #1, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more - - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

TOWNSHIP 56 NORTH, RANGE 82 WEST

Section 3; $S\frac{1}{2}$

Section 10; $NW\frac{1}{4}NW\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$, $N\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}SW\frac{1}{4}$, $E\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$

Section 11; $SW\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$

and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land, and containing 1080 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 15th day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Thousand Eighty and No/100- - - - - - - - Dollars ($_____), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in the manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE may consider necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines, and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages arising by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by, or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the term granted hereby shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

Paragraph #18

In the event Lessee shall desire to abandon any well drilled by it upon the above described land, and such well is capable of producing water, it shall give Lessors Ten (10) days written notice of such contemplated abandonment, and Lessors may, at their option, within said Ten (10) Days period, elect to take over said well, including casing, tubing, sucker rods and battery jacks, upon paying Lessee the original cost of such casing, tubing, and materials. In such event, Lessors shall indemnify and hold Lessee free and harmless from any subsequent failure by Lessors to properly plug and abandon such well.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

George F. Williams (SEAL)
George F. Williams

Laura E. Williams (SEAL)
Laura E. Williams

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 15th day of April, 195 2, before me personally appeared George F. Williams and Laura E. Williams, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he y executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 15th day of April, 195 2.

My Commission Expires: January 7, 1954

Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special - Wyo.) 1-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 15th day of April, 19 52, between

Ed L. Taylor and Dora V. Taylor, his wife

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and

C. A. Fleetwood, Casper, Wyoming "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 57 North, Range 83 West

Section 13: SE¼SW¼

Section 14: SW¼SE¼

Section 23: N½NE¼ & SE¼NE¼

Section 24: E½NW¼ & SW¼NW¼

and containing 320.00 acres, more or less. ~~and also, in addition to the above described lands, any and all other land owned or claimed by LESSOR in said section or sections or which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~ EJT DVT

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~Ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 15th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank Bank, at Buffalo, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and No/100- - - - - - - Dollars ($320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his as heirs, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operation were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delay-ing cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Ed L. Taylor (SEAL)
Ed L. Taylor

(SEAL)

Dora V. Taylor (SEAL)
Dora V. Taylor

(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 15th day of April, 195 2, before me personally appeared Ed L. Taylor and Dora V. Taylor, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 15th day of April, 195 2.

My Commission Expires:
My Commission Expires Oct. 20, 1953

Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 252

#3

RECORDED JUNE 25, 1952 BK 38 PG 55 **OIL AND GAS LEASE** NO. 340451 B. R. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 14th day of April, 19 52, between

Theodore J. Ostrom, a single man.
Wyarno, Wyoming

of hereinafter called "LESSOR" (whether one or more), and

C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on

said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

TOWNSHIP 57 NORTH, RANGE 82 WEST
Section 35; S½ & E½NE¼

, and containing 400 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~Ten (10) Years~~ Five (5) Years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided. T.J.O

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 14th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Four Hundred and No/100- - - - - - - - - - - Dollars ($ 400.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Theodore J. Ostrom (SEAL)
Theodore J. Ostrom

(SEAL)

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 14th day of April, 195 2, before me personally appeared Theodore J. Ostrom, a single man,

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that he executed the same as his free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 14th day of April, 195 2.

My Commission Expires:
My Commission Expires Dec. 12, 1954

Notary Public

PUBLIC
COUNTY

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special Wyo.) 252

#2

RECORDED JUNE 27, 1952 BK 18 PG 57 **OIL AND GAS LEASE** NO. 340452 B. P. HUNT, COUNTY CLERK

THIS AGREEMENT, entered into this 15th day of April, 1952, between Ira W. Nash, a Widower, of Box 1267, Sherdian, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which is full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sherdian County, Wyoming, to wit:

TOWNSHIP 57 NORTH, RANGE 82 WEST
Section 28 : NW¼

and containing 160 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said Section Five (5) Sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 15th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Sixty and No/100- - - - - - - - - Dollars ($160.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his as heirs, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the Lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE complies with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Ira W. Nash (SEAL)
Ira W. Nash

(SEAL)

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 15th day of April, 195.2, before me personally appeared Ira W. Nash, a Widower,

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that he executed the same as his free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 15th day of April, 195.2

My Commission Expires:
January 7, 1954

Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Sprague Wyo.) (5)

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 14th. day of April, 19 52, between Fred L. Richardson and Lois V. Richardson, his wife, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More- - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to feed, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 56 North Range 82 West

Section 1: W SW

Section 2: Lots 3 & 4 & S NW & S

Section 3: Lots 1 & 2 & S NE

and containing 713.49 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five(5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided. L.V.G. F.L.R.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 14th. day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Seven Hundred Thirteen and 49/100- - - - - Dollars ($ 713.49), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE, with due diligence, commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any act by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Fred L. Richardson (SEAL)
Fred L. Richardson

Lois V. Richardson (SEAL)
Lois V. Richardson

(SEAL)

(SEAL)

Lessor

ACKNOWLEDGMENTS

Wyoming—Individual

STATE OF Wyoming
COUNTY OF Sheridan } SS.

On this 14th. day of April, 195 2, before me personally appeared Fred L. Richardson and Lois V. Richardson, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 14th day of April, 195 2.

My Commission Expires:
My Commission expires June 6, 1952

Donald E Jones
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

RECORDED JULY 27, 1982 BK 3 PG 61

OIL AND GAS LEASE

THIS AGREEMENT entered into this 1 day of May, 19 82, between

Carmalla Perry, a widow, who acquired title as Carmalla Perre; Dan D. Perry, who acquired title as Domenick Perre and Hollie Perry, his wife; Rose [illegible] Day, who acquired title as Rosie Perre, and Aurelius T. Day, her husband; Jenny Day, also known as Jeanie Day, who acquired title as Jenny [illegible] Perre, and Homer C. Day, her husband; Joseph Perry, who acquired title as Joseph Perre, and Elizabeth [illegible] Perry, his wife

hereinafter called "LESSOR" (whether one or more), and

, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Dollars ($), paid in advance upon the execution hereof, receipt of which is full and adequate consideration for all rights granted herein, hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees on its operations on said land or adjacent land, the following described tract of land in County, to wit:

, and containing acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for each one-eighth royalty of oil the market price for oil of the grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE on the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. LESSOR shall have free gas from any gas well on the leased premises for any and all stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. If LESSEE has paid rental heretofore to and including the day of , 19 , to operations for the drilling of a well for oil or gas is not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in , Bank, at Denver, Colorado, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Dollars ($), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, mailed or delivered on or before the date fixed for payment. It is agreed that if LESSOR at any time or times during the Primary Term hereof shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises or if oil or gas, once after the discovery of oil or gas on the leased premises, production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, production of oil or gas, preventing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repairing, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production of oil or gas from the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repairing, reworking, drilling, deepening or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline is produced from said premises, for the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with the diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and to use other methods, so that the proceeds to drill and equip such injection and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE may deem necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by the operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formation other than a fresh water bearing formation.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops thereon, once thereto-fore planted on said land. No well shall be drilled nor closer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, building, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Recordings of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE to allocate assets to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate area or receiver tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and said assignor or assignors shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease insofar as it covers a part or parts of said land upon which LESSEE or any other assignee shall be in compliance, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee shall be in compliance, but LESSEE may at its option pay the proportionate part of any rentals due from such defaulting owner or owners, or perform any other obligation required under this lease, and LESSEE may withhold payments thereof until such time as LESSEE may elect to recognize such assignment, and LESSEE may withhold payments or other performances until all parties designate, in writing, in a recordable instrument to be furnished to each party hereto, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective heirs, successors and assigns.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced as to acreage covered and LESSEE shall have reasonable and continuous easements for then existing pipe lines, pole lines, and roadways across the land retained by LESSOR and LESSEE shall have reasonable and continuous easements for then existing pipe lines, pole lines, and roadways across the land surrendered for the purpose of continuing operations on land retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform any express or implied covenants, conditions or obligations, and it shall have first been finally judicially determined that such failure exists, and if such be found to exist, then this lease may be terminated, cancelled or forfeited only in the manner and shall provide the termination, cancellation or forfeiture shall be in the alternative and shall provide the termination, cancellation or forfeiture shall be in the alternative and shall provide that in the event LESSOR considers that LESSEE has breached any of its covenants, conditions or obligations hereunder, LESSOR shall notify LESSEE in writing, setting forth in detail the breach complained of, and LESSEE shall have ninety (90) days after receipt of such notice within which to remedy or cure such breach or breaches complained of, and LESSEE shall not be liable to LESSOR for any damages caused by any breach or breaches complained of unless LESSEE has breached the contract, and LESSEE shall not be liable to LESSOR for any damages caused by any breach or breaches complained of unless LESSEE has failed to remedy or cure such breach or breaches within ninety (90) days after receipt of such notice. It is agreed that if LESSOR shall give LESSEE notice of any breach or breaches of any express or implied covenants, conditions or obligations hereunder, LESSEE may within ninety (90) days after receipt of such notice, at its option, pay any sum or do any act or thing required of LESSEE by any express or implied covenant, condition or obligation, express or implied, within ninety (90) days prior to the receipt by LESSEE of the above described notice of breach or breaches, and any payment or performance by LESSEE within said period shall be as effective to prevent a breach of any such express or implied covenant, condition or obligation as if such payment or performance had been made or performed within the time specified in the lease. Neither the service of said notice nor the doing of any act by LESSEE aimed to meet all or any of the alleged breaches shall be deemed or construed to be an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or liens existing, levied, or assessed on or against the above described land, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required to the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines, but parts of or the entirety of the leased premises may be used by LESSEE for the storage of production of oil and/or gas on adjacent land or the storage or production of oil and/or gas on adjacent land, at the option of LESSEE, for oil and/or gas on adjacent land, and LESSEE may use the surface of the leased premises for the drilling of wells, and for all other purposes incident to the production of oil and/or gas on said premises.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages for failure to comply with its express or implied covenants if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any present or future law, or order, rule or regulation of any government or any agency thereof having jurisdiction, or due to any other cause not reasonably within the control of LESSEE, and this lease may be extended while and so long as a drilling operation is being conducted on the land covered hereby, or while and so long as LESSEE is prevented by any such cause from conducting drilling operations on the land covered hereby or from producing oil or gas from the leased premises, or from marketing the production therefrom, or from delivering the same to the market, or from processing the same for market, or from transporting the same to market, and the time during which LESSEE is so prevented by any such cause from conducting drilling operations on the land covered hereby or from producing oil or gas from the leased premises, or from marketing the production therefrom, or from delivering the same to the market, or from processing the same for market, or from transporting the same to market, shall not be counted against LESSEE, anything in this lease to the contrary notwithstanding. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as aforesaid, and if, prior to the end of the Primary Term hereof, LESSEE is unable to drill a well on the leased premises or land covered hereby because of any of the above recited causes, LESSEE may, at its option, pay or tender to LESSOR, or to the credit of LESSOR in the above named bank, a sum equal to the rental provided for in paragraph 6 hereof, and such payment or tender will extend the term of this lease for a period of one year from the end of the Primary Term hereof, and if, prior to the end of any such extended term, LESSEE is unable to drill a well on the leased premises or land covered hereby because of any of the above recited causes, LESSEE may, at its option, pay or tender to LESSOR, or to the credit of LESSOR in the above named bank, a sum equal to the rental provided for in paragraph 6 hereof, and such payment or tender will extend the term of this lease for a period of one year from the end of such extended term. If, during the last year of any such extended term, LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall terminate in full forty-acre units.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation pursuant to all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the ..... of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an average basis bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and seated as of the day and year first above written.

WITNESS:

Carmella Perry (SEAL)
Don D. Perry (SEAL)
[illegible] (SEAL)
[illegible] (SEAL)
Aurelius E. Day (SEAL)
Jenny Day (SEAL)
[illegible] (SEAL)
Joseph Perry (SEAL)
[illegible] (SEAL)

LESSOR

Wyoming—Individual

STATE OF Colorado
COUNTY OF Denver } SS.

On this 1 day of May, 195.. before me personally appeared Carmella Perry, a widow, who acquired title as Carmella Perre; Don D. Perry, who acquired title as Domenick Perre and Mollie Perry, his wife; Rose M. Day, who acquired title as Rosie Perre, and Aurelius E. Day, her husband; Jenny Day, also known as Jennie Day, who acquired title as Jennie Perre, and Homer J. Day, her husband; Joseph Perry, who acquired title as Joseph Perre, and Elizabeth M. Perry, his wife. J.P.C. & D.D.P. H.J.D. Mrs. H.E.D. J.D. H.C.D. E.M.P.

to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that t he executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
[illegible] Feb 28, 195[illegible]

[illegible] Brown
Notary Public

STATE OF .....

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 7 day of May, 19 52, between Donnelle Romer, widow, who acquired title as Donnelle Romer [illegible], of Denver, Colorado, hereinafter called "LESSOR" (whether one or more), and [illegible], of Denver, Colorado, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and 00/100 Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Montezuma County, Colorado, to-wit:

Township 37 North, Range 14 West

Section 5: SW/4

Section 8: NW/4

and containing 120 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 7 day of May, 19 52. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Mountain National Bank, at Denver, Colorado, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Twenty and 00/100 Dollars ($ 120.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the Register of Deeds of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

C P

~~17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the ..... of said County, an instrument identifying the pooled or unitized area. Any well drilled or operation conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.~~

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Carmalla Perry .....(SEAL)

.....(SEAL)

.....(SEAL)

.....(SEAL)
Lessor

STATE OF Colorado
City and
COUNTY OF Denver } SS.

Wyoming—Individual

On this 15 day of May, 195 2, before me personally appeared Carmalla Perry, a widow, who acquired title as Carmalla Perre

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that s he executed the same as her free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
February 20, 1956

Velvin Brown
Notary Public

M. & R. 1-25-52

80175

RECORDED JUNE 25, 1952 BK [illegible] OF MIC. 140-56 R. E. HC[illegible], COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 16th day of April, 19 52, by and between William F. Welch, one and the same person as William Francis Welch, a single man

of Acme, Wyoming hereinafter called "LESSOR" (whether one or more), and Shell Oil Company of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 58 North, Range 85 West
Section 35: W½SE¼; E½SW¼; SW¼SW¼;

Township 57 North, Range 85 West
Section 2: Lots 3, 4; S½NW¼; SW¼;
Section 3: Lots 1, 2; S½NE¼; SE¼;
Section 11: N½NW¼; SE¼NW¼

Township 57 North, Range 84 West
Section 3: Lots 3, 4; S½N½; N½S½; SE¼SE¼;
Section 4: Lots 1, 2, 3, 4; S½NE¼; SE¼NW¼; N½SE¼;

and containing 1,762.39 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Fifty and no/100-- - - - - - - - - - - - - - - - Dollars ($ 50.00), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 16th day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Thousand Seven Hundred Sixty-two and 39/100 - - - Dollars ($ 1,762.39), which shall cover the privilege of

7721

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than ~~fifteen~~ two hundred ~~(1500)~~ feet to the main dwelling house on said premises, nor nearer than ~~five~~ two hundred ~~(500)~~ feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

William F. Welch (SEAL)

William F. Welch (SEAL)

(SEAL)

(SEAL)

Lessor

(SEAL)

(SEAL)

Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 16th day of April, 1952, before me personally appeared William F. Welch, a single man, one and the same person as William Francis Welch,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires: March 24, 1954

William F. Welch
Notary Public

"H.O. 553(a) Rev. III." Printed in U.S.A.
(Producers 88 R.M. Special) 9-51

RECORDED JUNE 25, 1952 BK 48 PG 68 **OIL AND GAS LEASE** NO. 340457 B. R. HIGG, COUNTY CLERK

THIS AGREEMENT, entered into this 18th day of April, 1952, between Loretto M. Prentice (formerly Loretto M. Prater) and Ray Prentice, otherwise known as Raymond J. Prentice, her husband, of 847-23rd Ave. N., St. Petersburg, Florida, hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of the sum of Ten and more - - - - - - - - - - - - Dollars ($ 10.00 & more) in hand paid, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon to live, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 57 North, Range 85 West	Township 57 North, Range 84 West
Section 1: $NE\frac{1}{4}$; $S\frac{1}{2}$; (exception) (*)	Section 4: $S\frac{1}{2}SE\frac{1}{4}$; $SW\frac{1}{4}$
Section 2: $SE\frac{1}{4}$;	Section 5: $E\frac{1}{2}SE\frac{1}{4}$; $W\frac{1}{2}NW\frac{1}{4}$; $NW\frac{1}{4}SW\frac{1}{4}$;
Section 12: $N\frac{1}{2}NE\frac{1}{4}$;	Section 6: $NE\frac{1}{4}$; $N\frac{1}{2}NW\frac{1}{4}$; $SE\frac{1}{4}NW\frac{1}{4}$; $SW\frac{1}{4}$;
	Section 7: $NW\frac{1}{4}NW\frac{1}{4}$;

* Except out of Section 1-57-85 Lots 3 and 4 and the $S\frac{1}{2}NW\frac{1}{4}$ ($NW\frac{1}{4}$)

The above real estate has heretofore been sold on Land Contract to one Homer Scott and is dated October 13, 1948; however, one-half (1/2) of the mineral rights therein have been reserved to and by the lessor's predecessor in title herein. The real estate has since been conveyed under said contract reserving in grantors said ½ of the mineral rights therein.

~~and the in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~ and containing 1640.67 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other products, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 18 day of April, 1953, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The Florida National Bank, at St. Petersburg, Florida, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Thousand Six Hundred-forty & 67/100 -- Dollars ($ 1640.67), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such banks (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the manner above provided. And it is agreed that upon such commencement or recumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE shall comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Loretta M. Prentice (SEAL)
Loretto M. Prentice

(SEAL)

Ray Prentice (SEAL)
Ray Prentice, otherwise known as
Raymond J. Prentice (SEAL)

Wyoming—Individual

STATE OF Florida
COUNTY OF Pinellas } SS.

On this 24 day of April, 1952, before me personally appeared Loretto M. Prentice (formerly Loretto M. Prater) and Ray Prentice, otherwise known as Raymond J. Prentice, her husband

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires: 5/5/53

Elsie H. Pell
Notary Public

70 "H.O. 553(a) Rev. IV." Printed in U.S.A. (Producers 88 R.M. Special) 1-52 41 3

RECORDED JUNE 25, 1952 BK 35 PG 70 **OIL AND GAS LEASE** NO. 340453 B. H. HUNT, COUNTY CLERK

THIS AGREEMENT, entered into this 15th day of April, 19 52, between John Hallworth and Alma M. Hallworth, one and the same person as Alma Mary Hallworth, his wife, of 557 Val Vista, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of ten and more - - - - - - - - - - Dollar ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 58 North, Range 84 West
Section 31: Lots 1, 2, 3, 4; E½W½; W½E½.
Section 32: W½SW¼.

and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land. and containing 640.98 acres, more or less,

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ three (3) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 15th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Six Hundred Forty and Ninety Eight/100 - - Dollars ($ 640.98), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. ~~LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any~~ part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the ..... of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

John Hallworth (SEAL)
John Hallworth

Alma M. Hallworth (SEAL)
Alma M. Hallworth

..... (SEAL)

..... (SEAL)
Lessor

Wyoming—Individual

STATE OF Wyoming }
COUNTY OF Sheridan } SS.

On this 15th day of April, 1952, before me personally appeared John Hallworth and Alma M. Hallworth, one and the same person as Alma Mary Hallworth, his wife,

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
My Commission expires July 17, 1955

Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

RECORDED JUNE 25, 1952 BK 48 PG 72 **OIL AND GAS LEASE** No. 340459 F. M. ROWE, COUNTY CLERK

THIS AGREEMENT, entered into this 14th **day of** April, 19 52, **between** John J. Bocek, one and the same person as John Bocek, and Rose L. Bocek, one and the same person as Rose Margaret Bocek, of P. O. Box 60, Monarch, Wyoming **hereinafter called "LESSOR" (whether one or more), and** C. A. Fleetwood, Casper, Wyoming, **"LESSEE," does witness:**

1. That LESSOR, for and in consideration of a rental of ten and more - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 57 North, Range 85 West
Section 11: N½; N½S½;
Section 12: W½N½; N½S½;

and containing 320 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 14th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Ranchester State Bank, Bank, at Ranchester, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

John J. Bocek (SEAL)
John J. Bocek

Rose M. Bocek (SEAL)
Rose M. Bocek

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 14th day of April, 1952, before me personally appeared John J. Bocek, one and the same person as John Bocek and Rose M. Bocek, one and the same person as Rose Margaret Bocek, his wife, to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that t he y executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
Feb. 24, 1955

Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special--Wyo.)

RECORDED JUNE 25, 1952 BK 38 PG 74

OIL AND GAS LEASE

No. 340460 B. B. HUNT, COUNTY CLERK

THIS AGREEMENT, entered into this 15th day of April, 1952, between L. E. Smith and Alice M. Smith, his wife, of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More- - - - - - - - - - Dollars ($10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 57 North Range 84 West
Section 8: NE¼ & E½NW¼
Section 9: N½NW¼ (Lessee hereby agrees to pay for any damage directly and immediately caused by its operations to the surface of the said land and to any improvements situated thereon)

and containing 320 acres, more or less, ~~and also, by addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~

L. E. Smith
Alice M. Smith
L. E. Smith
Alice M. Smith

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five(5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

L. E. Smith
Alice M. Smith

6. LESSEE has paid rental hereunder to and including the 15th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and No/100- - - - - - - Dollars ($320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals, and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

L. E. Smith (SEAL)
L. E. Smith

Alice M. Smith (SEAL)
Alice M. Smith

(SEAL)

(SEAL)
Lessor

ACKNOWLEDGMENTS

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 15th. day of April, 1952, before me personally appeared L. E. Smith and Alice M. Smith, his wife,

to me known to be the persons described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 15 day of April, 1952.

My Commission Expires:

Notary Public

76

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 1-52

29

OIL AND GAS LEASE

NO. 340461 R. D. MILE, COUNTY CLERK

RECORDED JUNE 25, 1952 BK 38 PG 76

THIS AGREEMENT, entered into this 19th day of April, 1952, between Ethel M. Demple, a widow,

of 379 Kilbourne St., of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C.A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars ($10.00&more) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

TOWNSHIP 56 NORTH, RANGE 84 WEST
Section 24: S½NE¼ and SE¼.
Section 25: W½SW¼ and SW¼NW¼.
Subject to right of way for public road.
Subject to right of way of C.B.&Q. Railway. and containing 360 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~XXXXX~~ five(5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 19th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Sixty and no/oo ---------- Dollars ($360.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any act by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Ethel M. Demple (SEAL)
Ethel M. Demple (SEAL)
(SEAL)
(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

Wyoming—Individual

On this 19th day of April, 195.2, before me personally appeared Ethel M. Demple, a widow,

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as her free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 19th day of April, 195.2.

My Commission Expires: My Commission expires July 6, 1952

Donald E. Jones
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.)

RECORDED JUNE 25, 1952 BK 93 PG 78 **OIL AND GAS LEASE** NO. 340-62 R. B. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 19th day of April, 1952, between George F. Demple and Mabel E. Demple, his wife,

of 336 W. Alger St., of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C.A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars (10.00) cons, paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

TOWNSHIP 56 NORTH, RANGE 84 WEST
Section 24: S½NE¼ and SE¼.
Section 25: W½SW¼ and SW¼NW¼.
Subject to right of way for public road.
Subject to right of way of C.B.&Q. Railway.

and containing 360 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five(5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 19th day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Sixty and no/oo -------- Dollars ($360.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term hereof, gas, casinghead gas or oil, gas, casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. **LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office** of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

George F. Demple (SEAL)

(SEAL)

Mabel E. Demple (SEAL)

(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

Wyoming—Individual

On this 19th day of April, 1952, before me personally appeared George F. Demple and Mabel J. Demple, his wife,

to me known to be the persons described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 19th day of April, 1952.

My Commission Expires: My Commission expires July 6, 1959

Donald E. Jones
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special - Wyo.) 7-52

RECORDED JUNE 25, 1952 BK 75 PG 90 **OIL AND GAS LEASE** NO. 340463 B. H. FULK, COUNTY CLERK

THIS AGREEMENT, entered into this 16th day of April, 19 52, between Louise Jane Peard (formerly Louise Jane Enochs) and R. H. Peard, her husband;

of Hampton, Nebraska hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more - - - - - - Dollar ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to wit:

Township 57 North, Range 83 West
Section 26: E½

and containing 320 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 16th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The Farmers State Bank, Bank, at Aurora, Nebraska, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. **LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the** County Clerk **of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.**

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Louise Jane Peard (SEAL)
Louise Jane Peard - (formerly Louise Jane Enochs) (SEAL)
R. H. Peard (SEAL)
R. H. Peard (SEAL)
(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF Nebraska
COUNTY OF Hamilton } SS.

Wyoming—Individual

On this 15th day of ~~April~~ May, 1952, before me personally appeared Louise Jane Peard (formerly Louise Jane Enochs) and R. H. Peard, her husband;

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 15th day of ~~April~~ May, 1952.

My Commission Expires:
2-15-57

Elva Pitchenik
Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 2-52

RECORDED JUNE 25, 1952 BK 88 PG 92

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 14th day of April, 19 52, between Alger W. Lonabaugh also known as A. W. Lonabaugh, and Marian E. Lonabaugh, his wife, and Marie J. Logan, a widow, formerly known as Marie J. Lonabaugh of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more- - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 57 North, Range 82 West
Section 34: W½ & W½E½ & E½SE¼

Township 56 North, Range 83 West
Section 1: N½NE¼ & SE¼
Section 12: E½SE¼

Township 56 North, Range 82 West
Section 3: NW¼
Section 6: NW¼ & N½SW¼
Section 7: W½
Section 14: W½ and containing 3079.90 acres, more or less.
Section 15: SE¼
Section 21: W½NE¼
Section 22: All
Section 23: W½

~~and also in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 14th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Thousand Seventy Nine and 90/100- - - Dollars ($ 3079.90), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Alger W. Lonabaugh (SEAL)
Alger W. Lonabaugh

Marian E. Lonabaugh (SEAL)
Marian E. Lonabaugh

Marie J. Logan (SEAL)
Marie J. Logan

(SEAL)
Lessor

ACKNOWLEDGMENTS

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 2nd day of May, 1952, before me personally appeared Alger W. Lonabaugh, also known as A. W. Lonabaugh, and Marian E. Lonabaugh, his wife, and Marie J. Logan, a widow, formerly known as Marie J. Lonabaugh,

to me known to be the persons described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 2nd day of May, 1952.

My Commission Expires: DEC. 2-1953

Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

RECORDED JUNE 25, 1952 BK 88 PG 84 **OIL AND GAS LEASE** No. 340465 P. E. HUME, COUNTY CLERK

THIS AGREEMENT, entered into this 1 **day of** May, 19 52, **between** Rocky P. Perry, who acquired title as, Rocco Perre, and Theresa Perry, his wife, of Bracy, Montana, **hereinafter called "LESSOR" (whether one or more), and** C.A. Fleetwood, of Casper, Wyoming, **"LESSEE," does witness:**

1. That LESSOR, for and in consideration of a rental of Ten and No/100---------- Dollars ($10.00---), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on **said land or adjacent land, the following described tract of land in** Sheridan **County,** Wyoming **to-wit:**

Township 57 North, Range 84 West

Section 6: SE¼
Section 7: NENE¼, NENW¼, SENE¼

and containing 320 **acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.**

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 1 day of May, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Farmers State Bank, at Conrad, Montana, **or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder),** a rental in the sum of Three Hundred Twenty and No/100----- Dollars ($320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any succes-or bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

~~17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the _____ of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any land so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises included in any such pooling bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.~~

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Rocky R. Perry (SEAL)

Theresa Perry (SEAL)

(SEAL)

Lessor (SEAL)

STATE OF Montana
COUNTY OF Pondera } SS.

Wyoming—Individual

On this 21st day of May, 1952, before me personally appeared Rocky R. Perry, who acquired title as, Rocco Perre, and Theresa Perry, his wife

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

L W Doyle

NOTARY PUBLIC for the State of Montana
Residing at Conrad, Montana
My Commission Expires March 11, 1953

Notary Public

86

17

M. & R.—1-25-52

THE MILLS COMPANY, SHERIDAN 80175

RECORDED JUNE 25, 1952 BK 88 PG 86 NO. 340466 B. B. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st. day of April, 19 52, by and between Elma B. Richardson and Florence M. Richardson, his wife

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and Shell Oil Company, of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 56 North Range 83 West
Section 31: $N\frac{1}{2}$ & all of the $SW\frac{1}{4}$, except that portion thereof lying Southwesterly of the Westerly right of way line of the County road.
Township 56 North Range 84 West
Section 25: $NE\frac{1}{4}NW\frac{1}{4}$ & $SE\frac{1}{4}SW\frac{1}{4}$ & $E\frac{1}{2}$
Section 36: $N\frac{1}{2}NE\frac{1}{4}$ & $SE\frac{1}{4}NE\frac{1}{4}$ & all that portion of $SW\frac{1}{4}NE\frac{1}{4}$ lying Northeasterly of the Easterly right of way line of the County road.
Also a tract of land in the $SE\frac{1}{4}$ of Section 36 being described as follows to-wit:
Beginning at a point which is the East quarter corner of said Section 36;
Thence Westerly along the East and West center line of said Section 36 to a point of intersection with the North East right of way line of the County road;
Thence in a Southeasterly direction along the Northeast right of way line of said County Road to a point of intersection with the East line of said Section 36;
Thence Northerly along the said East line of said Section 36 to the point of beginning, and containing 29.0 acres, more or less.

and containing 281 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Two Hundred Forty Five and 25/100 Dollars ($245.25), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

EEA
FMR

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 21st. day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Nine Hundred Eighty One and No/100 Dollars ($981.00), which shall cover the privilege of

EEA
FMR

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

EEK
J.M.R

88

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Elma E. Richardson (SEAL)
Elma E. Richardson

(SEAL)

Florence M. Richardson (SEAL)
Florence M. Richardson

(SEAL)

Lessor

(SEAL)

(SEAL)

Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 21st day of April, 19 52, before me personally appeared Elma E. Richardson and Florence M. Richardson, his wife

to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires:

March 24th. 1954

William D. Redle
William D. Redle Notary Public

M. & R. 1-25-52

THE MILES COMPANY, SHERIDAN 80175

RECORDED JUNE 25, 1952 BK 88 PG 89 NO. 340467 R. B. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 22nd. day of April, 19 52, by and between Charles L. Scrutchfield and Bertha M. Scrutchfield, one and the same person as Bertha Mae Scrutchfield, his wife

of 623 Big Horn Avenue, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and Shell Oil Company, a Corporation of Delaware, Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 56 North Range 83 West of the 6th. Principal Meridian

Section 18: E½SW¼, the South 550 feet of the S½NE¼, and all that part of the SE¼ lying Northwesterly of the Westerly right of way line of the Chicago, Burlington and Quincy Railroad.

Section 19: All that part of the W½ of said Section 19, described as follows: Beginning at the Northeast corner of SE¼NW¼ of said Section;

Thence South 42 degrees 30 Minutes West 710 feet;
Thence South 7 degrees 48 minutes East 730 feet;
Thence West 400 feet;
Thence South 1900 feet;
Thence North 87 degrees 45 minutes West 640 feet;
Thence South 11 degrees 12 minutes East 864 feet;
more or less to the South line of said Section, said point being 86 feet East of the Southeast corner of Lot 4 of said Section;

Thence West to the West line of said Section a distance of 1346.6 feet;
Thence North 1 mile;
Thence East 1255.3 feet, more or less to the East line of Lot 1 of said Section;
Thence South 1/4th. mile;
Thence East 1/4th. mile to the point of Beginning.

C.L.S.
B.M.S.

Township 56 North Range 84 West of the 6th. Principal Meridian

Section 13: SE¼

Section 24: NW¼ & NW¼SW¼

and containing 870.67 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Fifty and No/100- - - - - - Dollars ($ 50.00), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 22nd. day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Eight Hundred Seventy and 67/100- - - - - - - - - - - - - - Dollars ($ 870.67), which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

C.L.S. B.M.S.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Charles L. Scrutchfield (SEAL)
Charles L. Scrutchfield

Bertha M. Scrutchfield (SEAL)
Bertha M. Scrutchfield

(SEAL)

(SEAL)
Lessor

(SEAL)

(SEAL)
Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 22nd day of April, 19 52, before me personally appeared Charles L. Scrutchfield and Bertha M. Scrutchfield, one and the same person as Bertha Mae Scrutchfield, his wife,

to me known to be the person S described in and who executed the foregoing instrument, and acknowledged that t heY executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires: March 24, 1954

William L. Redle
Notary Public

STATE OF

92

RECORDED JUNE 25, 1952 BK. 88 PG.92
NO. 340468 B. B. HUNE, COUNTY CLERK

M. & R.—1-25-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st. day of April, 1952, by and between Prairie Dog Ranch, Inc., a Corporation of the State of Wyoming in care of Charles L. Adam, 1107 West Works Street of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and Shell Oil Company, a Corporation of Delaware, Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 56 North Range 83 West
Section 19: NE¼SE¼
Section 20: NE¼NW¼ & NE¼NE¼ & SW¼NE¼ & NW¼SE¼ & SE¼SE¼ & NE¼SW¼ & SW¼SW¼ & SW¼NW¼
Section 21: SW¼NW¼
Section 29: SW¼NW¼ & NE¼NW¼ & SW¼NE¼ & NE¼NE¼ & NE¼SE¼ & SW¼SE¼ & NE¼SW¼ & SW¼SW¼
Section 30: Lots 2 & 4 & SW¼NE¼ & NE¼NE¼ & NE¼SE¼ & SW¼SE¼ & NE¼SW¼
Section 31: Lots 1 & 2 & E½ of Lots 3 & 4 & E½NW¼ & NE¼ (also being described as N½ & all of the W½SW¼, except that portion thereof lying Southwesterly of the Westerly right of way line of the County Road)

Township 56 North Range 84 West
Section 25: NE¼NW¼ & SE¼SW¼ & E½
Section 36: N½NE¼ & SE¼NE¼ & all that portion of SW¼NE¼ lying Northeasterly of the Easterly right of way line of the County road.
Also a tract of land in the SE¼ of Section 36 being described as follows to-wit:
Beginning at a point which is the East quarter corner of said Section 36;
Thence Westerly along the East and West center line of said Section 36 to a point of intersection with the North East right of way line of the County Road;
Thence in a Southeasterly direction along the Northeast right of way line of said County Road to a point of intersection with the East line of said Section 36;
Thence Northerly along the said East line of said Section 36 to the point of beginning and containing 29.0 acres, more or less.

(Lessor shall have gas free of charge from any gas well on the leased premises for agricultural and domestic use).

and containing 1,977.93 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~five (5)~~ Three(3) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Seven Hundred Forty Three and 72/100- - - - - - - - Dollars ($ 743.72), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 21st. day of April, 1953, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Thousand Nine Hundred Seventy Seven and 93/100- - - - - - Dollars ($ 1,977.93), which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

94

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

19. If at any time during the primary term hereof, Lessee shall drill a dry bore hole and abandon same on said land, Lessor shall have the right, at his own expense and risk, to use said dry bore hole for the production of water. Lessor shall assume all responsibility for said bore hole once the well has been plugged to a depth agreed on by both parties.

20. When Lessee shall have established roads on said land for transportation to and from a drilling location, Lessee shall use all reasonable diligence to see that transportation of equipment is restricted to such roads.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Prairie Dog Ranch, Inc., a Corporation of the State of Wyoming

By Charles L Adam (SEAL)
President

Attest: Allen Fortze
Secretary

Lessor

_____ (SEAL)

_____

_____

STATE OF WYOMING

COUNTY OF SHERIDAN

Wyoming--Corporation

On this 21st. day of April 1952, before me personally appeared Charles L. Adam to me personally known, who, being by me duly sworn, did say that he is the President of Prairie Dog Ranch, Inc., a Corporation of the State of Wyoming and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Charles L. Adam acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires:

November 18, 1953

W P Marshall
Notary Public

STATE OF _____

COUNTY OF _____

Wyoming--Corporation

On this _____ day of _____, 1952, before me personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ of _____ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal the day and year in this certificate first above written.

My commission expires

_____ _____
Notary Public

Da Se Nt ST Co da in at By

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, by and between Irene Watson (also known as Irene O. Watson), a widow.

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and Shell Oil Company of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter (SE¼NW¼) of Section 19, Township 56 North, Range 83 West of the Sixth Principal Meridian, Thence South 42 degrees 30 minutes West 710 feet; thence South 7 degrees 48 minutes East 730 feet; thence West 400 feet; thence South 1900 feet; thence North 87 degrees 45 minutes West 640 feet; thence South 11 degrees 12 minutes East 864 feet more or less to a point on the South Line of said Section 19, said point being on the West bank of Prairie Dog Creek, and 86 feet East of the Southeast corner of Lot 4 of said Section 19, thence East 2554 feet, more or less, to the Southeast corner of the Southwest Quarter of the Southeast Quarter (SW¼SE¼) of said Section 19; thence North 3/4 of a mile to the Northeast corner of the Southwest Quarter of the Northeast Quarter (SW¼NE¼); thence West quarter of a mile to the point of beginning, containing 180 acres, more or less, all in Sheridan County, Wyoming.

and containing 180 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~five (5)~~ three (3) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Ninety and No/100---- Dollars ($ 90.00), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 21st day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Eighty and No/100- Dollars ($ 180.00), which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Irene Watson (SEAL)
Irene Watson

(SEAL)

(SEAL)

(SEAL)
Lessor

(SEAL)

(SEAL)
Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 21st day of April, 19 52, before me personally appeared Irene Watson (also known as Irene O. Watson), a widow

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires:
November 18th, 1953

W. L. Marshall
Notary Public

M. & R. 1-25-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, by and between Allen O. Fordyce and Marian R. Fordyce, his wife, of Sheridan, Wyoming,

of Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and Shell Oil Company, Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 56 North, Range 83 West
Section 30: NE¼NW¼

and containing 40.00 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~five (5)~~ three(3) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Twenty and No/100- Dollars ($20.00), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 21st day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Forty and No/100- Dollars ($40.00), which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Allen O. Fordyce (SEAL)
Allen O. Fordyce

(SEAL)

Marian R. Fordyce (SEAL)
Marian R. Fordyce

(SEAL)

Lessor

(SEAL)

(SEAL)

Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 21st day of April, 1952, before me personally appeared Allen O. Fordyce and Marian R. Fordyce, his wife,

to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires:

Ruth Burnham
Notary Public

M. & R. 1-25-52 THE MILLS COMPANY, AMERICAN 80175

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 1952, by and between Minnie B. Hanson and Emerson Hanson, her husband.

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

TOWNSHIP 57 NORTH, RANGE 83 WEST
Section 26; E½

and containing 320 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Fifty (50) Dollars per well ~~Dollars ($)~~, per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline. mch E.H.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 21st day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and No/100 Dollars ($ 320.00), which shall cover the privilege of

102 deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

MJH
E. H

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Minnie B. Hanson (SEAL)

Minnie B. Hanson (SEAL)

Emerson Hanson (SEAL)

Emerson Hanson (SEAL)

Lessor

(SEAL)

(SEAL)

Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 21st day of April, 19 52, before me personally appeared Minnie B. Hanson and Emerson Hanson, her husband.

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires:
March 24, 1954

William S. Kedle
Notary Public

STATE OF
COUNTY OF
On this

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

RECORDED June 25, 1953 in Book 39 of Page 124
No. 240[illegible] in the Office of the County Clerk

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 22nd day of April, 1952, between Andrew Mierzbicki, a single man, of 538 Broadway, Sheridan, Wyoming, of hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 55 North, Range 82 West
Section 34: E½ E½; S½SW¼.
Section 35: S½SW¼.

and containing 240 acres, more or less, ~~and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.~~

A.M.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 22nd day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Two Hundred Forty a nd no/100 - - - - - - - - Dollars ($ 240.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

~~10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.~~

A.M.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

19. [illegible] shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of lessor. When required by law, lessee shall bury pipe lines below plow depth and shall pay for damages caused by its operations to growing crops theretofore planted on said land, to the improvements thereon and to the surface thereof. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of lessor. Lessee shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

Andrew Wierzbicki (SEAL)
Andrew Wierzbicki

Wyoming—Individual

STATE OF Wyoming } SS.
COUNTY OF Sheridan

On this 22nd day of April, 1952, before me personally appeared Andrew Wierzbicki, a single man,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Ruth Bamhart
Notary Public

RECORDED JUNE 25, 1952 AT. [illegible]
NO. 340473 [illegible]

M. & R. 1-25-52

80175

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 22nd day of April, 1952, by and between Harry O. Stout (also known as Harry Stout), a widower.

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

TOWNSHIP 54 NORTH, RANGE 82 WEST
Section 3; Lots 1, 2 & 3 & S½NE¼, SE¼NW¼, E½SW¼

TOWNSHIP 55 NORTH, RANGE 82 WEST
Section 34; W½SW¼

and containing 399.80 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Fifty (50) Dollars per well ~~Dollars ($~~, per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 22nd day of April, 1953, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Ninety Nine and 80/100 Dollars ($ 399.80, which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

108 18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Harry O. Stout (SEAL)

Harry O. Stout (SEAL)

(SEAL)

(SEAL)

Lessor

(SEAL)

(SEAL)

Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 22nd day of April, 19 52, before me personally appeared Harry O. Stout (also known as Harry Stout), a widower.

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires: March 24, 1954

William L. Kedle
Notary Public

STATE OF

M. & R. 1-25-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 23rd day of April, 19 52, by and between Frank P. Stout and Mary Stout, his wife.

of Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood of Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

TOWNSHIP 54 NORTH, RANGE 82 WEST
Section 3; SE¼, W½NW¼, SW¼SW¼

Lessee hereby agrees that in the event that this Oil and Gas Lease is terminated or otherwise cancelled, the Lessee will place of record in the County Clerk's Office of Sheridan County, Wyoming an instrument releasing the above Oil and Gas Lease.

and containing 280 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Fifty (50) Dollars per well - - - - - - - - - - - - - - - - - - Dollars ($ - - - - - - - -), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 23rd day of April, 19 53, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Two Hundred Eighty- and No/100- - - - - - - - - - - - - - - - - - Dollars ($ 280.00), which shall cover the privilege of

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

Frank P. Stout (SEAL)
Frank P. Stout

Mary Stout (SEAL)
Mary Stout

(SEAL)

(SEAL)
Lessor

(SEAL)

(SEAL)
Lessee

STATE OF Wyoming
COUNTY OF Sheridan } ss.

Wyoming—Individual

On this 23rd day of April, 19 52, before me personally appeared Frank P. Stout and Mary Stout, his wife.

to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission expires: Feb 10, 1953

W B Deane
Notary Public

GRANT OF

RECORDE JUNE 25, 1952, BK 88 PG 112
NO. 340475 B. B. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 22nd day of April, 1952, by and between George W. Scales, a single man,

of Sheridan, Wyoming, hereinafter called "LESSOR" (whether one or more), and Shell Oil Company, A Corporation of Delaware, Casper, Wyoming, "LESSEE."

WITNESSETH:

1. That LESSOR, for and in consideration of the sum of ten and more dollars ($10.00), in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets, exclusively unto LESSEE for the purpose of investigating, exploring and prospecting by geological and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, powers, power lines, telephone lines and other structures thereon, but not by seismographic exploration upon the ground except with the written consent of LESSOR, to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land, the following described lands in Sheridan County, Wyoming, to-wit:

Township 53 North, Range 82 West
Section 33: W½SE¼
Township 55 North, Range 81 West
Section 34: NE¼, NE¼
Section 35: NW¼NW¼, also described as Tract 51 according to the United States Government Resurvey.
Township 56 North, Range 81 West
Section 7: Lot 1 & NE¼NW¼ & N½NE¼
Section 8: N½NW¼
Township 54 North, Range 82 West
Section 1: Lots 1, 2 & S½NE¼
Section 12: N½NE¼ & SW¼NW¼ and all that part of the SE¼NE¼ and NE¼SE¼ of Section 11, and W½W½ of Section 12, Township 54 North, Range 82 West, lying on the Northerly and Easterly line of the East Fork of Dow Prong Creek County Road, said line being described as follows:

Commencing at a point 950 feet South of the Northeast corner of the SW¼SW¼ of said Section 12, thence North 10° West 490 feet; North 43° 20' West 850 feet; North 36° 50' West 2235 feet; thence North 28° 17' West 270.3 feet; thence North 9° 10' West 290 feet; thence North 2° 16' West 370 feet to a point on the North line of the SE¼NE¼ of said Section 11; containing 59.4 acres more or less, ~~and subject to the C. B. & Q. Railroad right-of-way~~.

and containing 779.75 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of five (5) years from this date (said term being hereinafter referred to as "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced in commercial quantities from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. ~~If such gas is~~ sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR shall have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the ~~well. If~~ said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof. If gas from a well producing gas only is not sold or used, LESSEE shall pay LESSOR the sum of Three Hundred Eighty Nine and 88/100- - - - - - - - Dollars ($ 389.88), per year, and if such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof. And if such payment is made by LESSEE to LESSOR, LESSEE shall be credited with such payment upon any royalty payments thereafter due LESSOR on account of gas produced from that well. The word "gas" as used herein shall include casinghead gas and casinghead gasoline.

6. If the drilling of a well for oil or gas, which means the actual penetration of the surface of the ground by a drilling bit, are not commenced on said land on or before the 22nd day of April, 1953, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Seven Hundred Seventy Nine and 75/100- - - - - - - - - - - Dollars ($779.75), which shall cover the privilege of

George W. Scales

deferring the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said Bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after which LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within sixty (60) days from expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling was in progress, shall either commence actual drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there has been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced actual operations for repressuring, reworking, drilling, deepening or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said lands. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence as long as there is no delay or cessation thereof for a period greater than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment and inject any such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR or water needed for the irrigation of said lands. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for all damage directly and immediately caused by its operations to growing crops theretofore planted on said land and shall promptly and fully repair and restore to their previous condition, as far as practicable and at LESSEE'S expense, all damage to roads, fences, ditches, waterholes, irrigation structures, bridges and other improvements, caused by its operations. No well shall be drilled nearer than fifteen hundred (1500) feet to the main dwelling house on said premises, nor nearer than five hundred (500) feet to any barn thereon, nor nearer than two hundred (200) feet to any other building thereon without the written consent of LESSOR. LESSEE shall have the right to remove at any time during the term of this lease, and shall promptly after the expiration of said term, remove all machinery, fixtures, houses, buildings and other structures or property placed by it on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part, except that LESSEE shall not, without LESSOR'S written consent first had and obtained, assign this lease as to the whole or any part of the leased land, provided, however, that LESSEE may, without such written consent, assign this lease as to the whole or any part of the leased land to (1) a person, firm, or corporation succeeding to substantially all of LESSEE'S oil and gas production business in the State of Wyoming, or to a parent, subsidiary or affiliate of LESSEE, or (2) to person, firm or corporation having a net worth of more than One Million Dollars ($1,000,000.00). But no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is agreed that, in the event this lease shall be assigned as herein provided, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties entitled to rents and royalties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all of the above described lands, but may surrender this lease from time to time as to less than all of said lands only after oil, gas, casinghead gas, or casinghead gasoline, or any of them, is produced on said lands, by recording a proper instrument of surrender in the office of the County Clerk of said County. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions or obligations breached within a reasonable time to be determined by the Court. In the event LESSOR considers that LESSEE has not complied with its covenants, conditions, or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition, or obligation, express or implied, accruing more than sixty (60) days prior to the receipt by LESSEE of the aforesaid notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof, and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rental accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purposes of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. Should a well, located within three hundred and thirty (330) feet of any exterior boundary of the above described lands or lands adjacent thereto neither owned nor controlled by LESSOR, produce oil or gas in paying quantities, then unless a well shall have theretofore been drilled or is at the time being drilled by LESSEE within the offset area herein provided, LESSEE shall, within ninety (90) days after such well has been completed and put on continuous production, commence operations on the above described lands for an offset well thereto. Offset wells shall be located within an offset area extending three hundred and thirty (330) feet from the boundary separating the properties and three hundred and thirty (330) feet on each side of a straight line, or projection thereof, extending from the competing well through the nearest point on said boundary.

17. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations applicable to such operations, and this lease shall not be terminated in whole or in part, or LESSEE be held liable in damages, for failure to comply with the terms hereof, if compliance therewith is prevented by or if such failure is the result of, any such Law, Order, Rule or Regulation, or if prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of LESSEE. But LESSEE shall indemnify and save harmless LESSOR from and against all liability, laws, expense and attorney fees by reason of LESSEE'S default or failure to comply with any such Law, Order, Rule or Regulation. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes beyond its control, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

Initials

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

19. LESSOR shall have gas free of charge from any gas well on the leased premises for any purpose by making his own connections so long as this amount does not exceed the LESSOR'S 1/8th royalty interest, the use of said gas to be at the LESSOR'S sole risk and expense.

20. If at any time during the primary term hereof, LESSEE shall drill a dry bore hole and abandon same on said land, LESSOR shall have the right, at his own expense and risk, to use said dry bore hole for the production of water. LESSOR shall assume all responsibility for said bore hole once the well has been plugged to a depth agreed on by both parties.

21. When LESSEE shall have established roads on said land for transportation to and from a drilling location, LESSEE shall use all reasonable diligence to see that transportation of equipment is restricted to such roads.

IN WITNESS WHEREOF, this instrument is signed and sealed by the parties hereto as of the day and year first above written.

George W. Scales (SEAL)
George W. Scales

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)
Lessor

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

On this 23rd day of April, 1952, before me personally appeared George W. Scales, a single man, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

D. H. Marshall
Notary Public

My Commission expires:
November 18, 1953

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

RECORDED JUNE 25, 1952 BK. 88 PG. 115
No. 340476 B. E. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, between Ella Parsons, one and the same person as Ella McVay, a divorced woman of Box 1118, Buffalo, Wyoming hereinafter called "LESSOR" (whether one or more), and J. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and More - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 54 North, Range 82 West
Section 10: E½NE¼.
Section 11: SW¼; W½NW¼.

and containing 320 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land. E.P.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ Five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Wyoming Loan and Trust Company Bank, at Buffalo, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitzed as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Ella Parsons (SEAL)
Ella Parsons

(SEAL)

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 21st day of April, 1952, before me personally appeared Ella Parsons, one and the same person as Ella McVay, a divorced woman,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that She executed the same as her free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Ruth Bassmann
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

No. 346477 E. E. HUNT, County Clerk

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, between Arnulph Lussbacher, one and the same person as Cary Lussbacher, a single man of Route #1, % Joe Kobielusz, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and Lore - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 54 North, Range 82 West
Section 10: S½.
Section 11: S½; S½N½.

and containing 320 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided. AN.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitzed as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Arnulph Nussbacher (SEAL)
Arnulph Nussbacher

(SEAL)

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 21st day of April, 195 2, before me personally appeared Arnulph Nussbacher, one and the same person as Gary Nussbacher, a single man,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 2-52

RECORDED JUNE 25, 1952 AT 8:28 A.M.
NO. 364676 B. E. HUME, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, between Barbara Hussbacher, a widow, and Louis Hussbacher, a single man, of Box 1231, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and Lore - - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 54 North, Range 82 West
Section 10: SW¼.
Section 11: S½; NW¼.

and containing 320 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

LN
B.N

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in First National Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Barbara Nussbacher (SEAL)
Barbara Nussbacher

Louis Nussbacher (SEAL)
Louis Nussbacher

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 21st day of April, 195.2, before me personally appeared Barbara Nussbacher, a widow, and Louis Nussbacher, a single man,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that s he executed the same as her free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
My Commission Expires [illegible]

Pauline Bannhardt
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

APPROVED JUNE 25, 1952 BK. 33 PG. 121
NO. [illegible] J. J. HUGG, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, between Paul Hussbacher and Ida I. Hussbacher, one and the same person as Ida Irene Hussbacher, his wife, of L. & N Ranch, Buffalo, Wyoming hereinafter called "LESSOR" (whether one or more), and C. A. Fleetwood, of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and Lore - - - - - - - - - Dollars ($ 10.00), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 54 North, Range 82 West
Section 10: NW¼.
Section 11: SW¼, W½NE¼.

and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land, and containing 320 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10)~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided. P.N. TIN

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Wyoming Loan and Trust Company Bank, at Buffalo, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Three Hundred Twenty and no/100 - - - - - - Dollars ($ 320.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the County Clerk of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Paul Nussbacher (SEAL)
Paul Nussbacher

Ida I. Nussbacher (SEAL)
Ida I. Nussbacher

(SEAL)

(SEAL)
Lessor

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Wyoming—Individual

On this 21st day of April, 1952, before me personally appeared Paul Nussbacher and Ida I. Nussbacher, one and the same person as Ida Irene Nussbacher, his wife,

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:

Notary Public

H.O. 553(b) Rev. II Printed in U.S.A.
(Producers 88 R.M. Special—Wyo.) 5-52

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 19th day of April, 19 52 between Joe Kobielusz and Katheryn M. Kobielusz, his wife,

of Rt. 1, Sheridan, Wyoming hereinafter called "LESSOR" (whether one or more), and C.A. Fleetwood of Casper, Wyoming "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars ($ 10.00&more) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming to wit:

Township 54 NORTH, RANGE 82 WEST
Section 2: Lots 3 and 4, S½N½, SW¼, SW¼SE¼, SW¼SE¼. Subject to right of way for public road.

and containing 400 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~10~~ five(5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stove and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 19th day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Four Hundred and no/00 ---------- Dollars ($ 400.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, such operations shall cease from any cause, this lease shall not terminate if LESSEE commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. **LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county.** Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

Joe Kobielusz (SEAL)

(SEAL)

Katheryn M. Kobielusz (SEAL)

(SEAL)

Lessor

ACKNOWLEDGMENTS

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

Wyoming—Individual

On this 19th day of April, 195 2, before me personally appeared Joe Kobielusz and Katheryn M. Kobielusz, his wife,

to me known to be the person S described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 19th day of April, 195 2.

My Commission Expires:
My Commission expires October 16, 1954

A. Morran
Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

[illegible] E) [illegible] 25, [illegible] Bk. 22 Pg. [illegible]
NO. 340491 [illegible] HOME, [illegible]

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 1952, between John T. Kobielusz and Mildred L. Kobielusz, his wife,
P.O. Box 11, Wyarno, Wyoming hereinafter called "LESSOR" (whether one or more), and
J.A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars ($10.00 more), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan County, Wyoming, to-wit:

Township 57 North, Range 89 West
Section 34: N½SE¼.
Section 35: W½SW¼. Subject to a right of way for public road.

and containing 160 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~ten (10) years~~ five (5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 1953. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in Bank of Commerce, Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of One Hundred Sixty and no/00 -------- Dollars ($160.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally and judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or the rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is pervented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

XXX LESSEE is hereby given the right at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land, lease or leases, or any part or parts thereof, or any interest therein, or any other rights, or interests in any other land. LESSEE shall exercise said option as to each such tract by recording in the proper office for recording instruments in the county in which said land is situated an instrument identifying and describing the pooled acreage. The pooled acreage shall be considered as if it were part of the leased premises, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of all production from all pooled or unitized acreage as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage so pooled or unitized, it is intended and agreed that any production or royalty obtained from any such pooled or unitized acreage shall be considered as production or royalty from the portion of the leased premises included in such pooling or unitization in the same manner as if such production or royalty were from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

John T. Kobielusz (SEAL)
John T. Kobielusz

Mildred L. Kobielusz (SEAL)
Mildred L. Kobielusz

(SEAL)

(SEAL)
Lessor

Wyoming—Individual

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

On this 21st day of April, 1952, before me personally appeared John T. Kobielusz and Mildred L. Kobielusz, his wife,

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
My Commission expires October 16, 1954

Notary Public

"H.O. 553(a) Rev. IV." Printed in U.S.A.
(Producers 88 R.M. Special) 1-52

[illegible] JUNE 25, [illegible] No. [illegible]
No. [illegible] S. B. HEMA, COUNTY CLERK

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 21st day of April, 19 52, between George J. Kobielusz and Lucille A. Kobielusz, his wife; Paul T. Kobielusz and Bernice I. Kobielusz, his wife, of Ajarno, Wyoming hereinafter called "LESSOR" (whether one or more), and S.A. Fleetwood of Casper, Wyoming, "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of Ten and more ---------- Dollars ($10.00 & more) paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in Sheridan, County, Wyoming, to-wit:

Township 54 North, Range 82 West
Section 3: NW4SW4.

and containing 40 acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ~~XXXX~~ Five(5) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the 21st day of April, 19 53. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in The First National Bank of Sheridan Bank, at Sheridan, Wyoming, or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder), a rental in the sum of Forty and no/00 ---------- Dollars ($40.00), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of owner-ship in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the County Clerk of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

[illegible]

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS:

George J. Kobielusz (SEAL)
George J. Kobielusz

Lucille A. Kobielusz (SEAL)
Lucille A. Kobielusz

Paul T. Kobielusz (SEAL)
Paul T. Kobielusz

Bernice I. Kobielusz (SEAL)
Bernice I. Kobielusz

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

Wyoming—Individual

On this 21st day of April, 1952, before me personally appeared George J. Kobielusz and Lucille A. Kobielusz, his wife, and Paul T. Kobielusz and Bernice I. Kobielusz, his wife, to be known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the day and year in this certificate first above written.

My Commission Expires:
My Commission expires October 16, 1954

Notary Public

RECORDED JUNE 25, 1952 BK. 88 PG. 129
NO. 340483 B. B. HUME, COUNTY CLERK

Producers 88 Spec.

OIL AND GAS LEASE

KINTZEL BLUE PRINT CO.
CASPER, WYOMING

AGREEMENT, Made and entered into this 23rd day of May, 19 52 by and between Clyde A. Abbott and Elsie B. Abbott, also known as Elizie B. Abbott, husband and wife of Paisley, Oregon, hereinafter called lessor (whether one or more) and Victory Oil Company, 516 East Wardlow Road, of Long Beach 7, California, hereinafter called lessee:

WITNESSETH, That the lessor, for and in consideration of ----Ten Dollars----- DOLLARS ($ 10.00), cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto said lessee, with the exclusive right of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil, gas, casinghead gas, casinghead gasoline, and laying pipelines, telephone and telegraph lines, and building tanks, power stations, gasoline plants, ponds, roadways and structures thereon to produce, save and take care of said products, and the exclusive right of injecting water, brine and other fluids into subsurface strata, and housing and boarding employees and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving, and taking care of oil, gas, casinghead gas, casinghead gasoline and the injection of water, brine and other fluids into subsurface strata, all that certain tract of land situated in the County of Sheridan, State of Wyoming described as follows, to-wit: All my right, title and interest (being an undivided one-fourth interest) in and to the following land: S½NE¼, NW¼SW¼, and NW¼SW¼

of Section 14 Township 57N Range 83W and containing 160 acres, more or less.

It is agreed that this lease shall remain in force for a term of ~~ten~~ 5 years from this date, and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises but lessee is then engaged in drilling for oil or gas, then this lease shall continue in force so long as drilling operations are being continuously prosecuted on the leased premises; and drilling operations shall be considered to be continuously prosecuted if not more than sixty days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If oil or gas shall be discovered and produced from any such well or wells drilled or being drilled at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas shall be produced from the leased premises.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty, the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

2nd. To pay the lessor one-eighth, at the market price at the well for the gas so used, for the gas from each well where gas only is found, while the same is being used off the premises, and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises or for the manufacture of casinghead gasoline, one-eighth, at the market price at the well for the gas so used, for the time during which such gas shall be used, said payments to be made monthly.

If no well be commenced on said land on or before one year from the date hereof, this lease shall terminate as to both parties unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the Nevada Bank of Commerce Bank at Pioche, Nevada, or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of One Hundred Sixty and no/100------ DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. It is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of the rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

Lessee may at any time release this lease as to ~~part or~~ all of the lands above described, after which all payments and liabilities thereafter to become, as to the land released, shall cease and determine. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

No part of the surface of the leased premises shall, without the written consent of the lessee, be let, granted, or licensed by the lessor to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil or gas.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells of lessor.

Lessee shall bury its pipe lines below plow depth.

When requested by the lessor, lessee shall place a house or barn now on said premises, without the written consent of the lessor.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises.

Lessee shall pay for damages caused by its operation ~~to growing crops~~ on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands as to which the said lessee or any assignee thereof shall make due payment of said rental.

If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties and their respective successors in title.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Should the depository bank hereafter close without a successor, lessee or his assigns may deposit rental in any National Bank located in same county with first named bank, due notice of the deposit of such rental to be mailed to lessor at last known post office address.

Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

The undersigned, lessors, for themselves, their heirs and assigns, hereby surrender and release all rights of dower and homestead in the premises herein described, in so far as said rights of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

In Testimony Whereof, We Sign, as of the day and year first above written.

VICTORY OIL COMPANY
By [signature] Pres.
[signature] Sec.

Clyde A. Abbott (SEAL)
Elsie B. Abbott (SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)

138

STATE OF Oregon
COUNTY OF Lake } SS.

Individual Acknowledgment Single or Married

On this 16th day of June, 19 52, before me personally appeared Clyde A. Abbott and Elsie D. Abbott, also known as Elsie D. Abbott, husband and wife,

to me known to be the person S described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 16th day of June, 19 52.

My Commission Expires:
Dec. 9-1955

Blanche Dumm
Notary Public

STATE OF
COUNTY OF } SS.

Individual Acknowledgment Single or Married

On this _____ day of _____, 19 ____, before me personally appeared

_____,

to me known to be the person ____ described in, and who executed the foregoing instrument, and who acknowledged to me that ____ he ____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this _____ day of _____, 19 ____.

My Commission Expires:

Notary Public

STATE OF
COUNTY OF } SS.

Individual Acknowledgment Single or Married

On this _____ day of _____, 19 ____, before me personally appeared

_____,

to me known to be the person ____ described in, and who executed the foregoing instrument, and who acknowledged to me that ____ he ____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 9th day of June, 19 52.

My Commission Expires:
Dec 9-1955

Blanche Dumm
Notary Public

STATE OF CALIFORNIA,
County of Los Angeles } *ss.*

ON THIS 23RD *day of* JUNE, *A.D.,* 19 52, *before me,* FRED D. PFEIFFER *a Notary Public in and for said County and State, personally appeared* EDWIN P. GRAIL, *known to me to be the President, and* F. W. GRAIL, *known to me to be the Secretary of the* VICTORY OIL COMPANY *the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the same.*

IN WITNESS WHEREOF, *I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.*

Fred D. Pfeiffer
Notary Public in and for said County and State.

ACKNOWLEDGMENT — CORP. — PRES. & SEC., L.A.CO. — WOLCOTTS FORM 223

My Commission Expires SEPT. 19, 1953

RECORDED JUNE 25, 1952 BK. 88 PG. 131
NO. 340184 B. B. HUNT, COUNTY CLERK

Producers 88 Spec.

KINTZEL BLUE PRINT CO.
CASPER, WYOMING

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 3rd day of June, 19 52 by and between

Jesse J. Gorman and Josephine Gorman, his wife

of Sheridan County, Wyoming, hereinafter called lessor (whether one or more) and

Victory Oil Company, 813 East Wardlow Road

of Long Beach 7, California, hereinafter called lessee:

WITNESSETH, That the lessor, for and in consideration of ---Ten Dollars----- DOLLARS

($10.00), cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto said lessee, with the exclusive right of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil, gas, casinghead gas, casinghead gasoline, and laying pipelines, telephone and telegraph lines, and building tanks, power stations, gasoline plants, ponds, roadways and structures thereon to produce, save and take care of said products, and the exclusive right of injecting water, brine and other fluids into subsurface strata, and housing and boarding employees and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving, and taking care of oil, gas, casinghead gas, casinghead gasoline and the injection of water, brine and other fluids into subsurface strata, all that certain tract of land situated in the County of Sheridan, State of Wyoming described as follows, to-wit:

All of our right, title and interest (being an undivided one-half interest) in and to the following land:
W½NW¼, SE¼, NE¼SW¼ and W½SW¼; of Section 1;
N½NE¼, W½NW¼ and SE¼NW¼ of Section 12;
SW¼NW¼ and NW¼SW¼ of Section 13;

~~X of Section~~ Township 57 North Range 83 W. and containing 340 acres, more or less.

It is agreed that this lease shall remain in force for a term of ten years from this date, and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises but lessee is then engaged in drilling for oil or gas, then this lease shall continue in force so long as drilling operations are being continuously prosecuted on the leased premises; and drilling operations shall be considered to be continuously prosecuted if not more than sixty days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If oil or gas shall be discovered and produced from any such well or wells drilled or being drilled at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas shall be produced from the leased premises.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty, the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

2nd. To pay the lessor one-eighth, at the market price at the well for the gas so used, for the gas from each well where gas only is found, while the same is being used off the premises, and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises or for the manufacture of casinghead gasoline, one-eighth, at the market price at the well for the gas so used, for the time during which such gas shall be used, said payments to be made monthly.

If no well be commenced on said land on or before one year from the date hereof, this lease shall terminate as to both parties unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the First National Bank at Sheridan, Wyoming, or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Three Hundred Twenty and no/100-------- DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. It is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of the rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

Lessee may at any time release this lease as to ~~portions~~ all of the lands above described, ~~after which all payments and liabilities thereafter to accrue, as to the lands released, shall cease and determine, and the amount of delay rentals above mentioned shall be reduced proportionately.~~

No part of the surface of the leased premises shall, without the written consent of the lessee, be let, granted, or licensed by the lessor to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil or gas.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury its pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operation ~~to growing crops~~ on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands as to which the said lessee or any assignee thereof shall make due payment of said rental.

If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties and their respective successors in title.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Should the depository bank hereafter close without a successor, lessee or his assigns may deposit rental in any National Bank located in same county with first named bank, due notice of the deposit of such rental to be mailed to lessor at last known post office address.

Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

The undersigned, lessors, for themselves, their heirs and assigns, hereby surrender and release all rights of dower and homestead in the premises herein described, in so far as said rights of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

In Testimony Whereof, We Sign, as of the day and year first above written.

Victory Oil Co. by Elvin P. Grail Pres. — Jesse J. Gorman (SEAL)
By John S. Kennedy Asst. Sec. — Josephine Gorman (SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)

SEAL

STATE OF Wyoming
COUNTY OF Sheridan } SS.

Individual Acknowledgment Single or Married

On this 3rd day of June, 19 52, before me personally appeared Jesse J. Gorman and Josephine Gorman, his wife,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 3rd day of June, 19 52.

My Commission Expires:
May 2, 1956

Leona May Ruff
Notary Public

STATE OF
COUNTY OF } SS.

Individual Acknowledgment Single or Married

On this day of, 19, before me personally appeared

STATE OF CALIFORNIA,
County of Los Angeles } ss.

On This 17TH day of JUNE, A.D., 19 52, before me, FRED D. PFEIFFER a Notary Public in and for said County and State, personally appeared EDWIN P. GRAIL, known to me to be the President, and JOHN S. KENNEDY, known to me to be the ASST Secretary of the VICTORY OIL COMPANY the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Fred D. Pfeiffer
Notary Public in and for said County and State.

My Commission Expires SEPT. 19, 1953

ACKNOWLEDGMENT — CORP. — PRES. & SEC., L.A.CO. — WOLCOTT'S FORM 223

RECORDED JUNE 25, 1952 BK. 88 PG. 133
NO. 340503 B. P. HUE, COUNTY CLERK

IN THE DISTRICT COURT WITHIN AND FOR THE COUNTY OF
SHERIDAN, STATE OF WYOMING

In the Matter of the Estate)
)
of)
)
FLORENCE L. COOK,)
)
Deceased.)

ORDER ADJUDGING TERMINATION OF ESTATE BY ENTIRETIES

This matter came on to be heard this day by the Court upon the Petition of Jesse E. Cook, also known as J. E. Cook, surviving spouse of Florence L. Cook, Deceased, for an Order adjudging the termination of the Life Estate and Estate by the Entireties of said Deceased in and to the parcels of real estate hereinafter described, and it appearing to the satisfaction of the Court from the Affidavit of Publication filed herein that Notice of said Petition and of the time set for hearing thereof has been given in the manner and form required by law and by the Order of this Court;

And the Court having read said Petition and having fully considered the evidence offered insupport thereof and being fully advised in the premises finds:

That Florence L. Cook died on May 28, 1952 at Sheridan County, Wyoming and that at the time of her death she was a resident of the County of Sheridan, State of Wyoming.

That Florence L. Cook left surviving her as her only heirs at law and next of kin the following persons, to-wit: Jesse E. Cook, also known as J. E. Cook, widower, Wilda Marie Brock, daughter, Arthur J. Cook, son, Leslie Cook, son and Wayne Cook, son, and that each of said persons is more than 21 years of age and that each of said sons and daughter has filed herein his or her consent that this Court make and enter herein its Order and Decree finding that Florence L. Cook and Jesse E. Cook were husband; that they held

title to the parcels of real estate described in said Petition as an Estate by the Entireties; that Florence L. Cook died on May 28, 1952 at Sheridan County, Wyoming and that the Life Estate and Estate by the Entireties of said Florence L. Cook in and to said Parcels of real estate described in the Petition has terminated and that Jesse E. Cook, also known as J. E. Cook, as surviving spouse of said Deceased and surviving tenant, is the sole owner of said parcels of real estate.

The Court expressly finds that at the time of her death, said Florence L. Cook and Jesse E. Cook, also known as J. E. Cook, were wife and husband, and were the joint owners of an Estate by the Entireties in and to the parcels of real estate described in the Petition filed herein by Jesse E. Cook; that upon the death of said Florence L. Cook, said Estate by the Entireties in and to the parcels of real estate remained in and remains solely vested in Jesse E. Cook, surviving spouse of said Deceased.

The Court further finds that all of the allegations contained in the Petition are true in all respects and that the sole fee simple title to said real estate now remains vested in Jesse E. Cook, also known as J. E. Cook, and that the prayer of said Petition be granted.

IT IS, THEREFORE, HEREBY ORDERED, ADJUDGED AND DECREED by the Court, that the Life Estate and the Estate by the Entireties of Florence L. Cook, now Deceased, in and to the following described parcels of real estate situate in the County of Sheridan, State of Wyoming, to-wit:

> Parcel 1 - Lot 8 in Subdivision of Block 8 of Western Addition to the Town, now City of Sheridan, Sheridan County, Wyoming, together with all improvements situate thereon.
>
> Parcel 2 - The East 70 feet of the West 195 feet of Lot "E" of the Reld Addition to the Town, now City of Sheridan, Sheridan County, Wyoming, together with all improvements situate thereon.

has terminated, and that the sole fee simple title to said real estate remains vested absolutely in and the same is hereby vested and confirmed in Jesse E. Cook, also known as J. E. Cook, surviving

spouse of Florence L. Cook, Deceased.

IT IS FURTHER ADJUDGED AND DECREED that Florence L. Cook died on May 28, 1952 at Sheridan County, Wyoming and that at the time of her death she was a resident of Sheridan County, Wyoming.

Done in open Court this 25 day of June, 1952.

G. A. Layman
JUDGE

THE STATE OF WYOMING
County of Sheridan } ss.

I, John W. Songer Clerk of the fourth Judicial District Court within and for the County aforesaid, do hereby certify the foregoing to be a true and complete copy of Order adjudging termination of estate by entireties in the matter of the estate of Florence L. Cook, deceased, as the same appears on file and of record in this office

IN TESTIMONY WHEREOF, I have hereunto subscribed my hand and affixed the official seal of said Court at my office in Sheridan, Wyoming, this 25 day of June A. D. 19 52

John W. Songer
Clerk of the District Court.

By
Deputy.

136

WARRANTY DEED—FORM NO. 9

THE HILLS COMPANY, SHERIDAN 79046—4M—9-51

RECORDED JUNE 26, 1952, BK 88 PG 136
NO. 340517, B. B. HUME, COUNTY CLERK

WARRANTY DEED WITH RELEASE OF HOMESTEAD

Ethel S. Dauderman, a widow,

grantor, of Sheridan County, and State of Wyoming, for and in consideration of

---One dollar and other good and valuable consideration------ DOLLARS

in hand paid, receipt whereof is hereby acknowledged, CONVEY AND WARRANT TO

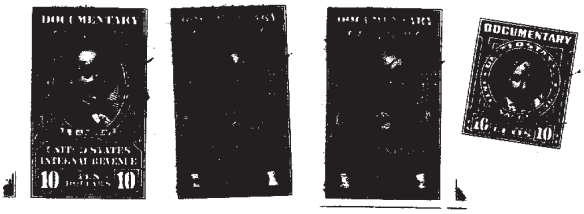
JACK C. HAMPTON and LOUISE G. HAMPTON, husband and wife,

creating in grantees estates by the entireties, with full right of survivorship,

grantees, of Sheridan County and State of Wyoming

the following described real estate, situate in Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homesetad exemption laws of the State, to-wit:

Lot 3, Block 15 of the Amended Plat of Sheridan Land Company's Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming, together with all improvements situate thereon.



WITNESS her hand this 23rd day of June, 19 52.

Signed, Sealed and Delivered in Presence of

J. Ralph Hylton

Ethel S. Dauderman

THE STATE OF WYOMING,
County of Sheridan } ss.

On this 23rd day of June, 19 52, before me personally appeared

Ethel S. Dauderman, a widow,

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed, including the release and waiver of the right of homestead, the said wife having been by me first fully advised of her right and the effect of signing and executing the said instrument.

Given under my hand and notarial seal, the day and year in this certificate first above written.

J. Ralph Hylton
Notary Public

My commission expires on the 2nd day of April, A. D. 19 53.

WARRANTY DEED—FORM NO. 9

THE MILLS COMPANY, SHERIDAN 80321—4M—5-52

RECORDED JUNE 26, 1952, BK 88 PG 137
NO. 340522, B. B. HUME, COUNTY CLERK

WARRANTY DEED WITH RELEASE OF HOMESTEAD

Clarence W. Temple and Olive F. Temple, husband and wife

grantor S., of Sheridan, Sheridan County, and State of Wyoming, for and in consideration of One Dollar and other good and valuable considerations---------- DOLLARS in hand paid, receipt whereof is hereby acknowledged, CONVEY AND WARRANT TO

Ethel S. Sanderman, a widow

grantee, of Sheridan County and State of Wyoming, the following described real estate, situate in Sheridan, Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State, to-wit:

The South 50 feet of the East 170 feet of Lot "O" of the Gold Addition to the Town, now City, of Sheridan, Sheridan County, Wyoming; together with any and all improvements situate thereon or thereunto belonging.

WITNESS our hand S this 23rd day of June, 1952.

Signed, Sealed and Delivered in Presence of

x Clarence W. Temple
Olive F. Temple

THE STATE OF WYOMING,
County of Sheridan } ss.

On this 23rd day of June, 1952, before me personally appeared Clarence W. Temple and Olive F. Temple, husband and wife

to me known to be the person S described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me first fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and notarial seal, the day and year in this certificate first above written.

G. M. Cassell
NOTARY PUBLIC

My commission expires on the 14th day of July, A. D. 1955.

138

WARRANTY DEED—FORM NO. 9

RECORDED JUNE 26, 1952, BK 88 PG 138
NO. 340524, B. B. HUME, COUNTY CLERK

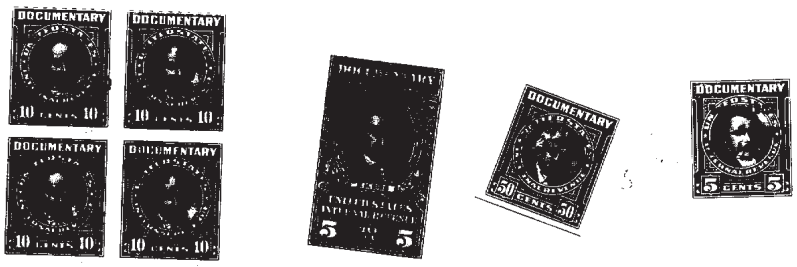
WARRANTY DEED WITH RELEASE OF HOMESTEAD

Ruby T. Kusel, a widow

grantor, of Sheridan County, and State of Wyoming, for and in consideration of One Dollar and other good and valuable consideration ~~DOLLARS~~ in hand paid, receipt whereof is hereby acknowledged, CONVEY AND WARRANT TO Dessa M. Shreve

grantee, of Sheridan County and State of Wyoming the following described real estate, situate in Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homesetad exemption laws of the State, to-wit:

Lot 8, Block 5, Gillette Second Addition to the Town, now City of Sheridan, Sheridan County, Wyoming, together with all improvements situate thereon.



WITNESS my hand this 26th day of June, 19 52.

Signed, Sealed and Delivered in Presence of

W. L. Redle

Ruby T. Kusel

THE STATE OF WYOMING,
County of Sheridan } ss.

On this 26th day of June, 19 52, before me personally appeared Ruby T. Kusel, a widow

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same, as her free act and deed, including the release and waiver of the right of homestead, the said wife having been by me first fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and notarial seal, the day and year in this certificate first above written.

Milton L. Redle
Notary Public

My commission expires on the 24th day of March, A. D. 19 54.

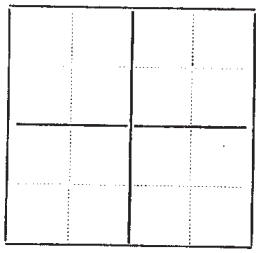
Form 95-A. IM 11-30

RECORDED JUNE 26, 1952, BK 88 PG 139
NO. 340526, B. B. HUME, COUNTY CLERK
MONTANA-DAKOTA UTILITIES CO.

Pipe Line ~~and Telephone Line~~ Easement

THIS INDENTURE, made this 25th day of June A. D. 1952, between MONTANA-DAKOTA UTILITIES CO., a corporation, 831 Second Avenue South, Minneapolis, Minnesota, hereinafter called the "COMPANY," and Big Horn Land Company, a Corporation, Sheridan, Wyoming, hereinafter called the "OWNER," WITNESSETH that:

IN CONSIDERATION of the payment by the COMPANY of the sum of One ($1.00) Dollar and other valuable considerations, the OWNER does hereby grant, bargain and convey unto the COMPANY, its successors and assigns, forever, the right, privilege and authority to lay, construct, operate, maintain, repair, and remove, a gas pipe line ~~and telephone line~~ including necessary pipes, ~~poles, wires~~ and fixtures, through, over, under and across the following described real estate, in the County of Sheridan, State of Wyoming, to-wit: One two inch (2") gas distribution main, in the Country Club addition to the City of Sheridan, extending along the entire property line which divides lots 16A and 17A in the Country Club Addition. Situated in the SW ¼ NE ¼ of Sec. 28 T 56N, R 84W.



The OWNER hereby grants to the COMPANY, its successors and assigns, the right at all reasonable times to enter upon said premises for the purpose of laying, constructing, maintaining, operating, repairing or removing said gas pipe line ~~and telephone line~~ and for the purpose of doing all necessary work in connection therewith.

The COMPANY by the acceptance hereof, hereby agrees that it will pay any and all damages that may result to the crops, fences, buildings or improvements on the above described premises, occasioned by constructing, maintaining, repairing, operating or removing of said gas pipe line ~~and said telephone line.~~

IN WITNESS WHEREOF, the OWNER has executed these presents as of the day and year first above written.

WITNESSES:
Louis J. Hendrick

Big Horn Land Co.
BY: Douglas Hutton
Secretary

STATE OF Wyoming
COUNTY OF Sheridan } ss.

On this 25th day of June A. D. 1952, before me, a Notary Public within and for said County and State, personally appeared Douglas Hutton known to me to be the person whose name is subscribed to the within instrument and who acknowledged to me that he executed the same.

N. K. Tuneen
Notary Public, State of Wyoming, County of Sheridan
My commission expires December 26 1955
Residing at Sheridan, Wyoming

140

WARRANTY DEED—FORM NO. 9

THE MILLS COMPANY, SHERIDAN 80821—4M—5-52

RECORDED JUNE 26, 1952 BK 22 PG 140
NO. 340535 E.B. HUME, COUNTY CLERK

WARRANTY DEED WITH RELEASE OF HOMESTEAD

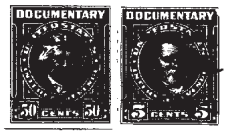
LULU S. MOSS, a widow

grantor, of Sheridan, Sheridan County, and State of Wyoming, for and in consideration of One Dollar ($1.00) and other good and valuable consideration - - - - - - - in hand paid, receipt whereof is hereby acknowledged, CONVEY AND WARRANT TO EDITH M. THURBER and husband, LEO P. THURBER, creating in the Grantees, estates by the entireties with full right of survivorship.

grantees, of Sheridan County and State of Wyoming

the following described real estate, situate in Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State, to-wit:

Lot numbered Ten (10) in Block numbered Twenty-two (22) of Coffeen Addition to the Town, now City of Sheridan, Sheridan County, Wyoming, together with all improvements thereon and with all appurtenances thereunto appertaining or belonging.



WITNESS my hand this 25th day of June, 19 52.

Signed, Sealed and Delivered in Presence of

Helen Kinsley

Lulu S. Moss

THE STATE OF WYOMING,
County of Sheridan } ss.

On this 25th day of June, 19 52, before me personally appeared LULU S. MOSS, a widow

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed, including the release and waiver of the right of homestead, ~~the said wife~~ having been by me first fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and Notarial seal, the day and year in this certificate first above written.

Helen Kinsley
Notary Public

My commission expires on the 23rd day of January, A. D. 19 54.

RECORDED JUNE 27, 1952,
BK 33 PG 141, NO. 340607
WARRANTY DEED - FORM NO. 9

B. B. HUME,
COUNTY CLERK
DAN 79046 -4M -9-51

WARRANTY DEED WITH RELEASE OF HOMESTEAD

Harriet E. Roberts, a widow,

XXXX

grantor - , of Route 1, Sheridan, Sheridan County, and State of Wyoming, for and in consideration of One Dollar and other consideration

XXXX DOLLARS

in hand paid, receipt whereof is hereby acknowledged, CONVEY AND WARRANT TO Gail L. Taylor and Thomas C. Taylor, husband & wife,

grantee s , of Route 1, Sheridan, Sheridan County and State of Wyoming

the following described real estate, situate in Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homesetad exemption laws of the State, to-wit: The West Half (W½), and the West Half of the Southeast quarter (W½SE¼) of Section Fifteen (15), the East Half (E½), and the South Half of the Southwest quarter (S½SW¼) of Section Sixteen(16), the Northeast quarter(NE¼), the North Half of the Northwest quarter (N½NW¼), and the Southeast quarter of the Northwest quarter (SE¼NW¼) of Section Twenty-one (21), the Southeast quarter of the Southeast quarter (SE¼SE¼) of Section Seventeen (17), Township 55 North, Range 83 West of the sixth principal meridian; also all that portion of the Southwest quarter of the Southeast quarter (SW¼SE¼) of said Section 17 lying East of the center line of the County Road (now Highway 14) and more particularly described as follows: Commencing at the Southeast corner of said SW¼SE¼ of said section 17, thence West 285 feet more or less to the center of said Road, thence North 52° 30' West 240 feet in the center of said Road, thence North 27° 00' West 390 feet in the center of said Road, thence North 35° 30' West 980 feet more or less in the center of said Road to the intersection with the North line of said Tract, thence East 1235 feet more or less along the North line of said Tract to the Northeast corner thereof, thence South along the East line of said Tract 1320 feet to the point of begining, Township and Range aforesaid;

also a part of the Southeast quarter of the Northeast quarter (SE¼NE¼) of Section 20, Township and Range aforesaid, described as follows: Commencing at a point 541 feet South of the Northeast corner of said SE¼NE¼ of said section 20, thence North 541 feet, thence West 1081 feet, thence South angle 33° left 352 feet to a point, thence Northeasterly angle 66° 30' left 400 feet to a point, thence Southeasterly angle 45° right 578 feet more or less to the place of begining; and all of the Northeast quarter of the Northeast quarter (NE¼NE¼) of said Section 20, Township and Range aforesaid, except the following: commencing at a point239 feet East of the Southwest corner of said NE¼NE¼ of said section 20, thence West 239 feet, thence North 343 feet to a point, thence Southeasterly 420 feet more or less to the point of begining (1.04 acres more or less); and

also all of the Southwest quarter of the Northwest quarter (SW¼NW¼) of said Section 21, Township and Range aforesaid, excepting the following described tract: commencing at a point 370 feet East of the Southwest corner of said SW¼NW¼ of said section 21, thence West 370 feet, thence North 777 feet, thence Southeasterly angle 57° left 187 feet, thence Southeasterly angle 42° left 707 feet more or less to the place of begining;

Together with all improvements on said lands, and all ditch rights and all water rights appurtenant and adjudicated thereto, **including one and one-fourth shares (1¼) of the Prairie Dog Water Supply Company stock, and one share of the Kearney** Lake Reservoir Company stock, subject however to the Highways, roads and irrigation ditches now upon, and the easements of record over, said lands.

WITNESS my hand this 27th day of June, 1952.

Signed, Sealed and Delivered in Presence of

Harriet E Roberts

D. C. Kurtz

THE STATE OF WYOMING, } ss.
County of Sheridan

On this 27th day of June, 19 52, before me personally appeared

Harriet E. Roberts

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed, including the release and waiver of the right of homestead, ~~the said wife having been by me first fully apprised of her right and the effect of signing and acknowledging the said instrument~~.

Given under my hand and notarial seal, the day and year in this certificate first above written.

Notary Public

My commission expires on the My Commission expires July 14, 1955 day of , A. D. 19

WARRANTY DEED—FORM NO. 9

THE H. J. CONRAD CO., CHICAGO 79046—4M—9-51

RECORDED JUNE 27, 1952, BK 88 PG 143
NO. 340609. B. B. HUME, COUNTY CLERK

WARRANTY DEED WITH RELEASE OF HOMESTEAD

Henry Lackman and Lydia Lackman, husband and wife

grantor S, of Sheridan, Sheridan County, and State of Wyoming, for and in consideration of One Dollar and other good and valuable considerations DOLLARS

in hand paid, receipt whereof is hereby acknowledged, CONVEY AND WARRANT TO

Lucy M. Hobart, a married person

grantee S, of Sheridan County and State of Wyoming

the following described real estate, situate in Sheridan, Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homesetad exemption laws of the State, to-wit:

Lot 8, Block 14, Sheridan Land Company's Addition to the Town, now City, of Sheridan, Sheridan, County, Wyoming, together with any and all improvements situate thereon or thereunto belonging.

WITNESS our hand S this 27th day of May, 19 52

Signed, Sealed and Delivered in Presence of

Henry Lackman
Lydia Lackman

THE STATE OF WYOMING,
County of Sheridan } ss.

On this 27th day of May, 19 52, before me personally appeared Henry Lackman and Lydia Lackman, husband and wife

to me known to be the person S described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me first fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and notarial seal, the day and year in this certificate first above written.

J. M. Carroll
NOTARY PUBLIC

My commission expires on the 14th day of July, A. D. 19 55.

RECORDED JUNE 28, 1952 BK 88 PG 144
NO. 340627 B. B. HUME, COUNTY CLERK OPTION # wyo opt-103-A

RELEASE OF OPTION AGREEMENT

WHEREAS, Gertrude M. Krampert, hereinafter called "Optionor", heretofore executed to Cities Service Oil Company, a Delaware corporation, hereinafter called "Optionee", an option dated the 9th day of May, 19 50, and recorded in Book 79 at Page 429-431 of the records of Sheridan County, State of Wyoming, on an oil and gas lease, Serial No. Buffalo-039115, dated the 1st day of September, 19 46, between the United States of America, and Gertrude M. Krampert, on land situated in said County and State described as follows, to wit:

SE¼ SW¼ of Section 5, Twp 54 N, Rge 77 West, 6th P.M. containing 40 acres, more or less.

which option "Optionee" desires to surrender and terminate.

NOW, THEREFORE, for and in consideration of the premises, "Optionee" hereby surrenders and releases all its rights under said option.

SIGNED This 31st day of March, 19 52.

CITIES SERVICE OIL COMPANY

By H. Ben Cox
Attorney-in-Fact
H. Ben Cox

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS
WASHINGTON COUNTY)

Before me, a Notary Public in and for said County and State, on this 31st day of March, 1952 personally appeared H. Ben Cox, to me personally known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument, as its Attorney-in-Fact and duly acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

T. B. Roach
Notary Public
T. B. Roach

My commission expires 12-12-53

RECORDED JUNE 20, 1952 BK 88 PG 145
NO. 740835 E.E. HUME, COUNTY CLERK

ADMINISTRATOR'S DEED

THIS INDENTURE made this 21st day of May, A. D. 1947, in the City of Sheridan, Sheridan County, Wyoming, by and between JOHN A. BUCKINGHAM, the duly appointed, qualified and acting Administrator of the estate of George P. Buckingham, deceased, Party of the First Part, and RUEL STRATSMA and wife, ORMA R. STRATSMA, creating in the grantees estates by entireties with full right of survivorship, of Sheridan County, Wyoming, Parties of the Second Part, WITNESSETH THAT:

WHEREAS, on the 25th day of April, A. D. 1947, the District Court of the Fourth Judicial District within and for the County of Sheridan, State of Wyoming, did make an Order of Sale of Real Estate in the matter of the estate of George P. Buckingham, deceased, authorizing the said John A. Buckingham, as Administrator of the estate of said deceased, to sell the real estate of said estate hereinafter described, situate in Sheridan County, State of Wyoming, said real estate being particularly and specifically described in said Order of Sale, which Order of Sale is now on file and of record in said District Court and is hereby referred to and made a part of this indenture, and,

WHEREAS, under and by virtue of said Order of Sale said Party of the First Part sold at private sale, to the above named Ruel Stratsma and Orma R. Stratsma, husband and wife, Parties of the Second Part, the real estate specified in said Order of Sale, and,

WHEREAS, due and legal Return of Sale of said real estate was made to said Court by said Administrator on the 28th day of April, A. D. 1947, and said Court did upon said last mentioned date and after the filing of said Return of Sale, make an Order fixing a time certain, to-wit: the

29th day of April, A. D. 1947, at 10:00 o'clock in the forenoon, for the hearing of said Return of Sale and for considering any objections to be made thereto and thereafter and upon the 29th day of April, A. D. 1947, said Court did make an Order approving and confirming said sale and directing the conveyance of said real estate by said Administrator to said purchaser which said Order confirming said sale is now on file and recorded in the Office of the Clerk of said District Court, and which Order is hereby referred to and made a part of this deed;

NOW, THEREFORE, the said John A. Buckingham, as Administrator of the estate of George P. Buckingham, deceased, Party of the First Part, pursuant to the aforesaid Order of Sale of said District Court last mentioned, for and in consideration of the sum of $87.50, in hand paid by said Parties of the Second Part to said Party of the First Part, receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed and does by these presents grant, bargain, sell and convey unto said Parties of the Second Part, Ruel Stratsma and Orma R. Stratsma, their heirs, executors, administrators and assigns, all of the right, title and interest and estate of the said George P. Buckingham, in and unto the following described real estate, situate in the County of Sheridan, State of Wyoming, to-wit:

> An undivided one-half interest in and unto an unimproved building lot located at Story, in Sheridan County, Wyoming, title to which was recently taken in the name of the said George P. Buckingham and John A. Buckingham, which property is more particularly described as follows, to-wit:
>
> A tract of land in Section 7, in Township Fifty-three, North of Range 83 West of the Sixth Principal Meridian, Beginning at a point marked by an iron stake, which is located on the West line of the County Road and 525 feet North of the South line of said Section 7, being the place of beginning, thence West along a line parallel with the South line of said Section 7, 150 feet to a point, thence North 125 feet to a point,

thence East on a line parallel with the South line of said Section 7 to a point on the West line of said County Road, thence in a southerly direction along the West line of said County Road to point of beginning. The consideration of this deed being less than $100.00 no revenue stamps are affixed.

TO HAVE AND TO HOLD all and sigular the above mentioned and described premises, together with all appurtenances thereunto belonging, unto the said Parties of the Second Part, their heirs, executors, administrators or assigns.

This Deed is given to correct the mis-description contained in the Administrator's Deed given by this Grantor to Ruel Stratsma and wife, Orma R. Stratsma, under date of April 30, 1947. Said error in description being that the point of beginning was given as 520 feet North, instead of 525 feet North of the South line of said Section 7.

IN WITNESS WHEREOF, the Party of the First Part, John A. Buckingham, Administrator of the Estate of George P. Buckingham, deceased, has hereunto set his hand and seal the day and year first above written.

John A. Buckingham
Administrator

STATE OF WYOMING)
)SS
COUNTY OF SHERIDAN)

On this 21st day of May, A. D. 1947, before me, the undersigned Notary Public in and for said County and State, appeared John A. Buckingham, Administrator of the Estate of George P. Buckingham, deceased, personally known to me to be the same and identical person named in and who signed the above and foregoing Administrator's Deed and acknowledged that he signed, sealed and delivered said instrument as Administrator of the Estate of said deceased, and as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of May, A. D. 1947.

William A. Redle
Notary Public

My commission expires March 24, 1950.

RECORDED JUNE 27, 1952 BK 66 PG 148
NO. 340640 E.B. HIMS, COUNTY CLERK

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
WITHIN AND FOR THE COUNTY OF SHERIDAN, STATE OF WYOMING

In the Matter of the Estate)
of)
GEORGE M. MOORE, DECEASED.)

ORDER OF FINAL SETTLEMENT AND DISTRIBUTION

The above entitled matter came on for hearing this 27th day of June, 1952, upon the first and final report and petition for distribution filed in this court by A. W. Lonabaugh, the Administrator of the estate of said George M. Moore, deceased, and the court having examined said report and petition for distribution, and heard the evidence in support thereof, and being fully advised in the premises, finds:

1. That the said George M. Moore died intestate on or about the 17th day of October, 1951, being at the time of his death a resident of the County of Sheridan, State of Wyoming, and leaving an estate in Sheridan County, Wyoming.

2. That the said A. W. Lonabaugh thereupon filed in said court his petition for Letters of Administration and thereafter on or about the 26th day of October, 1951, A. W. Lonabaugh was duly appointed Administrator of the estate of said deceased, duly qualified and entered upon the duties of his office and has not since been discharged.

3. That thereafter the Administrator duly caused to be published a Notice to Creditors of said deceased, which said notice was published in the Sheridan Press, a newspaper of general circulation, printed and published in Sheridan County, Wyoming, the first publication having been on October 29, 1951, and thereafter on November 5, and November 12, 1951; due proof of publication of said notice by affidavit of Hilde Kramer, Clerk of said newspaper, has been filed in this Court.

4. That the Administrator caused to be issued and returned an inventory and appraisement of the property belonging to said estate consisting of real and personal property, which inventory and appraisement is in words and figures as follow, to-wit:

Lot 9 and 10 of Block 13, Palmer's Addition to the Town, now the City of Sheridan, Sheridan County, Wyoming, together with all improvements situate Thereon.	$4400.00
Carpenter tools	30.00
Electric saw	20.00
1931 Dodge Coupe (3-4661 License	50.00
Accounts receivable	75.00
Bank Account, First National Bank of Sheridan	76.30

5. That all taxes lawfully assessed against the Estate of said deceased have been paid, and the Administrator has filed in said estate notices of the Inheritance Tax Commissioner showing no tax due, and receipt is hereby waived.

6. That part of the personal property in said estate has been sold, as shown by the final report and petition for distribution.

7. That the Administrator should be allowed the sum of $75.00 for fees as such officer, and a like amount should be allowed to E. R. Ferguson, his attorney, for his services as counsel in connection with said estate.

8. That said deceased died intestate, and at the time of his death the following named persons and none others are the only persons who are entitled to inherit his said estate:
Helen P. Williams, daughter, aged 23, residing at Sheridan, Wyoming
Edna Mae Calkins, daughter, aged 25, residing at Sheridan, Wyoming.

9. That due notice of final settlement of said estate was published by said Administrator for four consecutive weeks in the Sheridan Press, a newspaper of general circulation, printed and published in Sheridan County, Wyoming, the first publication having been on May 8, 1952 and thereafter on May 15, 22, and May 29, 1952; due proof of publication of said notice by affidavit of Hilde Kramer, Clerk of said newspaper, has been filed in this court.

10. That in and by said Notice of Final Settlement, all persons interested in said estate were notified to file objections to said final settlement on or before the 10th day of June, 1952, and no such objections having been filed, and the Administrator having paid or being ready to pay all expenses of administration, the court finds that more than six months have elapsed since the publication of the Notice to Creditors, and said estate is in a condition to be closed.

IT IS THEREFORE CONSIDERED, ORDERED, ADJUDGED AND DECREED by the court that the final report and petition for distribution of said Administrator be, and it is hereby approved and confirmed; that the title to any personal property remaining in the hands of the administrator after the payment of all expenses of administration be and the same is hereby set over and transferred to the above named heirs, Helen P. Williams and Edna Mae Calkins, share and share alike; and the real property hereinabove described is decreed to have descended and vested at the date of the death of said deceased to the aforesaid heirs, Helen P. Williams and Edna Mae Calkins, and the title to said premises is hereby vested and decreed in fee simple in the above named heirs, share and share alike, subject to any liens of record; that the sum of $75.00 be, and it hereby is, allowed to A. W. Lonabaugh as Administrator of said estate, and a like amount is allowed to E. R. Ferguson for his services as attorney in connection with said estate and the said Administrator is hereby ordered to file in this Court receipts showing the payment of advertising, court costs, and attorney fees, and upon filing of said receipts, further order will be made by the court discharging said Administrator and finally closing said estate.

/s/ G. A. LAYMAN
Judge

CLERK OF COURT'S CERTIFICATE OF COPY—Form No. 24

THE STATE OF WYOMING
County of Sheridan } ss.

I, John W. Songer Clerk of the Fourth Judicial District Court within and for the County aforesaid, do hereby certify the foregoing to be a true and complete copy of Order of final settlement and distribution in the matter of the estate of George M. Moore, deceased, as the same appears on file and of record in this office

IN TESTIMONY WHEREOF, I have hereunto subscribed my hand and affixed the official seal of said Court at my office in Sheridan, Wyoming, this 28 day of June A. D. 19 52

John W. Songer
Clerk of the District Court.

By .....
Deputy.

RECORDED JUNE 30, 1952, BK 88 PG 152
NO. 340650, B. B. HUME, COUNTY CLERK

WARRANTY DEED

This deed, made this 13th day of June A.D., 1951 between Herbert J. Klindt and Clara G. Klindt, his wife, A. J. Sheets and Margaret E. Sheets, his wife, and C. S. Eder and Marie E. Eder, his wife, parties of the first part and Henry S. Ruegamer and Catherine B. Ruegamer of Hardin, Montana, parties of the second part.

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of one dollar and other good and valuable considerations, to them in hand paid, by the said parties of the second part; the receipt whereof is hereby confessed and acknowledged have granted, bargained, sold and conveyed, and by these presents do hereby grant, bargain, sell and convey unto the said parties of the second part and unto their heirs and assigns, forever, all that piece or parcel of land situate, lying and being in the County of Sheridan, and State of Wyoming, hereby relinquishing and waiving all rights under and by virtue of the homestead exemption laws of said state and more particularly known and described as follows, to-wit:-

> Lots Seven (7) and Eight (8) of Canyon Subdivision in Section Twenty (20) Township Fifty-eight (58), North (N), Range Eighty-nine (89) West (W) of the 6th P. M., according to the recorded plot thereof now of record and on file in the office of the county clerk and Ex-Officio Register of Deeds of Sheridan County, Wyoming.

This conveyance is made subject to the following terms:- The purchaser of each lot in the said Canyon Subdivision shall become a member of the Canyon Subdivision Association, which said association shall have control of and manage the affairs of the Canyon Subdivision and make suitable provisions for improving the same and the roads and bridges leading thereto. The Canyon Subdivision Association shall have the right, from time to time as may be necessary and in such amounts as shall be by them deemed proper, to

BURKE & HIBBS
LAWYERS
BILLINGS, MONTANA

further the business of the said association, to levy assessments against the "sold lots" of the said Subdivision, and such Association shall have a first lien upon the hereinabove described land for the amount of said assessment. Said assessment shall be due and payable thirty days after levy of such assessment. In case of default in such payment for fifteen days after the same shall become due, the said lien may be enforced as other liens on real estate, and in case an action is instituted to collect the said assessment or enforce the said lien, the purchasers agree to pay such additional amount as attorney fees as the court may adjudge reasonable. In the said Canyon Subdivision Association the holder of each "sold lot" shall be entitled to one vote for each "sold lot" which he owns; in the management of the affairs of the said association a majority vote shall be necessary to transact any business or levy any assessments. A "sold lot" as described herein means a lot conveyed by these grantors, or their successors in interest in the whole.

TO HAVE AND TO HOLD the said above described premises unto the said parties of the second part, their heirs and assigns, FOREVER. Together with the privileges, hereditaments and appurtenances thereunto in any wise appertaining or belonging.

And the said parties of the first part, for their heirs, executors and administrators, do covenant and agree, to and with said parties of the second part, their heirs, executors, administrators, and assigns, that at the ensealing and delivering of these presents they are well seized in the said premises, in and of a good and indefeasible estate in fee simple. And that they are free from all encumbrances whatsoever.

AND that they have good and lawful right to sell and convey the same, and that the said parties of the first part will, and their

heirs, executors and administrators shall, WARRANT AND DEFEND the same against all lawful claims and demands whatsoever.

And that said parties of the first part, for their heirs, executors and administrators, do covenant and agree to and with the said parties of the second part, their heirs and assigns, that the said parties of the second part, their heirs and assigns, shall and may lawfully, at all times hereafter, peaceably and quietly have, occupy, possess and enjoy the said premises hereby granted or intended to be, with the appurtenances, without the lawful hindrance or molestation of the parties of the first part their heirs or assigns, or of any other person or persons whatsoever, by or with his or their consent, privity of procurement.

And the Clara G. Klindt, wife of the said Herbert J. Klindt, Margaret E. Sheets, wife of the said A. J. Sheets, and Marie E. Eder, wife of the said C. S. Eder, upon the consideration aforesaid, do hereby release and forever quit-claim unto the said parties of the second part, their heirs and assigns, all their rights of power and homestead in and to the above granted premises.

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

Witnesses

Herbert J. Klindt (SEAL)
Clara G. Klindt (SEAL)
A. J. Sheets (SEAL)
Margaret E. Sheets (SEAL)
C S Eder (SEAL)
Marie E. Eder (SEAL)
PARTIES OF THE FIRST PART.

Henry L. Guysmer

PURCHASERS.

BURKE & HIBBS
LAWYERS
BILLINGS, MONTANA

State of Montana)
)
County of Big Horn)

On this 13th day of June, 1951, before me, personally appeared A. J. Sheets and Margaret E. Sheets, his wife, and C. S. Eder and Marie E. Eder, his wife known to me to be four of the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed, including the release and waiver of the rights of homestead, the said wives having been by me fully apprised of their rights and the effect of signing and acknowledging the said instrument.

Given under my hand and seal, this 13th day of June A. D. 1951.

(SEAL)

Notary Public for the State of Montana
Residing at ~~Hardin~~ Hysite, Montana
My Commission expires May 31, 1952

State of Montana)
)ss.
County of Yellowstone)

On this 13th day of June, 1951, before me, personally appeared Herbert J. Klindt and Clara G. Klindt, his wife, known to me to be two of the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed, including the release and waiver of the rights of homestead, the said wife having been by me fully apprised of her rights and the effect of signing and acknowledging the said instrument.

(SEAL)

Notary Public for the State of Montana
Residing at Billings, Montana
My commission expires July 23rd, 1953.

Form 528-G. R. Rev. 6-50

RECORDED JUNE 30, 1952, BK 88 PG 156
NO. 340652, B. B. HUME, COUNTY CLERK

POSSL 1702-Clearmont
HEREAFTER TO BE KNOWN
AND REFERRED TO AS
LEASE NO. A-449

LEASE

This Lease, made this [illegible] day of [illegible], 195[illegible], by and between Benjamin C. [illegible] Gl[illegible] L. Schro[illegible], whose address is [illegible]

Cle[illegible]mont, Wyoming, Lessor, and STANDARD OIL COMPANY, an Indiana Corporation, with its principal office at 910 South Michigan Avenue, Chicago, Illinois, Lessee:

WITNESSETH:

1. The Lessor hereby demises and leases to the Lessee, the following described premises situated in the City or Town of Clermont, County of Sheridan, State of Wyoming more particularly described as follows, to-wit:

The Lots ten (10), Eleven (11) and Twelve (12) of Clarke Sub-division of Lots Twenty eight (28) and Twenty Nine (29) of the First Addition to the Town of Clearmont.

If the premises are improved, this lease includes the buildings, fixtures, equipment, machinery and appliances owned or controlled by the Lessor and located on said premises.

TO HAVE AND TO HOLD unto the Lessee for a term commencing on the First (1) day of April, 1952, and ending on the 31st day of March, 1953.

2. Lessee agrees to pay to the Lessor as rental for the above described premises, buildings, fixtures, equipment, machinery and appliances (if any be included), a sum equal to One cent (1.0 ¢) per gallon on all gasoline (not including naphthas, stove and lighting gasolines and like products not customarily used in motor vehicles) delivered to such service station for sale. Such rental shall be due and payable on or before the fifteenth day of the succeeding calendar month.

All rental payments may be made by check payable and delivered to Benjamin C. Schroeder, personally, or by mail, at Clearmont, Wyoming. Unless otherwise designated herein, all rental payments may be made by check delivered to Lessor or mailed to Lessor at his address herein shown.

3. In consideration of the foregoing, the Lessor hereby sets over and assigns unto the Lessee, with right of Lessee to reassign to others, all of Lessor's licenses, consents and permits to maintain and operate a gasoline service station on the above described premises; such assignment to be effective only during the term of this lease, and all renewals and extensions thereof.

4. Lessee and any assignee or sub-lessee is expressly given the right at any time during the term of this lease or any extension thereof, and for a period of thirty (30) days after the termination of this lease, or any extension thereof, by lapse of time or otherwise, to enter upon and remove from said premises any improvements or equipment heretofore or hereafter purchased or placed by it or them upon the leased premises, but shall not be obliged to do so.

5. Lessor will keep the building, driveways, the water pipes, drains and sewers appurtenant thereto and all of Lessor's equipment on the demised premises in good and sufficient condition and repair during the whole of the term hereof. The Lessee shall have the right to paint the entire building but shall not be obliged to do so.

6. The Lessee shall have the option of extending this lease as hereinafter provided, upon the same terms and conditions which were in effect during the original term. The period or periods of such extensions shall be in accordance with either one of the following two clauses, the inapplicable clause having been stricken before the execution of this lease:

~~I. A period of [illegible] years from the expiration of the original term hereof.~~

II. A total of not more than Two (2) successive periods of one year each.

The rental to be paid by the Lessee during said extension period or periods shall be a sum equal to One cent (1.0 ¢) per gallon on all gasoline (as defined in paragraph 2) delivered to such service station for sale.

The Lessee shall give to the Lessor written notice of its intention to exercise its extension privilege at least thirty (30) days prior to the expiration of the original term hereof, and if said extension privilege is for successive periods of one year each as provided in Clause II of this Paragraph 6, the Lessee shall give to the Lessor a like written notice at least thirty (30) days prior to the expiration of the then current yearly period, of its intention to extend this lease for and during the next succeeding yearly period. Time and manner of making rental payments during any such extension shall be the same as provided for during the original term hereof.

7. If the Lessor or the Lessor's successors or assigns at any time during the term of this lease or any renewal or extension thereof receives a bona fide offer to purchase said premises, buildings, fixtures, equipment, machinery and appliances included in this lease, and desires to sell said premises, buildings, fixtures, equipment, machinery and appliances under the terms of said offer, Lessor agrees to give Lessee thirty (30) days' notice in writing of such bona fide offer setting forth the name and address of the proposed purchaser who has made the offer, the amount of the proposed purchase price and the terms of payment thereof. The Lessee shall have the first option to purchase the demised premises within the above-mentioned thirty-day period at the same price and on the same terms of any such proposal. In the event that the Lessee does not exercise its option to purchase the demised premises within the aforesaid period, this lease and all of its terms and conditions shall nevertheless remain in full force and effect and the Lessor or any purchaser or purchasers of the demised premises shall be bound thereby and in the event that said premises are for any reason not sold pursuant to the bona fide offer set forth in the notice, the Lessee shall have, upon the same conditions of notice, the continuing first option to purchase the said premises upon the terms of any subsequent bona fide offer or offers to purchase.

8. It is mutually agreed that if the leased premises are damaged by fire, storm, or from any other cause, such damage shall be repaired by the Lessor forthwith after the same occurs, and if the extent of any such damage is such as to render said premises untenantable, the obligation of the Lessee to pay rental shall cease until the Lessor shall have replaced said premises in a tenantable condition.

9. It is further mutually agreed that the Lessor shall pay all taxes and assessments that may be levied against the above described premises and the building and equipment belonging to the Lessor thereon, and the Lessee shall pay all taxes that may be levied or assessed against the equipment owned by the Lessee thereon.

10. If, in the sole judgment of the Lessee, it appears likely that Lessee or any of its assignees or sub-lessees may be obliged to pay any license, privilge or excise tax because of its or their interest in or use of the premises hereby leased, Lessee may terminate this lease or any renewal or extension thereof by giving Lessor thirty days' written notice of its intention so to do.

11. Lessor agrees that Lessee may assign this lease or sublet the premises and equipment herein described without consent of Lessor, and that Lessee, or its assignee or sublessee, shall have the privilege of using said premises for the purpose of operating thereon a gasoline service station, and for the sale of tires, tubes, batteries and automobile accessories, and any other incidental commercial activity, and that said Lessee, its assignee or sublessee, shall likewise have the privilege of erecting on said premises such buildings, driveways, and other improvements as may be necessary or desirable for the aforesaid purposes, and in case Lessee, its assignee or sublessee, shall be unable to obtain from municipal or other public authorities, any permit or license necessary for the operation of a gasoline service station upon said premises, or in case any such permit or license, if obtained, be afterward revoked without fault of the one so obtaining it, or if the use of said premises for any of the purposes stated above be restrained or enjoined by judicial process, then and in such event or any thereof Lessee shall have the right to cancel this lease by giving Lessor at least ten (10) days' notice of its intention so to do.

12. Lessor agrees that it is the essence of this lease that Lessee shall have the privilege of using said premises for the purpose of operating thereon a gasoline service station, and for the sale of tires, tubes, batteries and automobile accessories and any other incidental commercial activity, and the construction of such buildings, driveways, and other improvements as may be necessary or desirable for the aforesaid purposes, and if such use shall be forbidden, interfered with, limited, or prevented by legislation or regulation of Federal, State, or local government, or any agency thereof, by requests of any governmental authority, by war conditions, or by any contingency beyond the control of Lessee, its assignee or sublessee, or if by reason of any similar restriction, limitation, interference or prohibition, the Lessee, or its assignee or sublessee, shall be unable to obtain adequate supplies of petroleum products essential to the profitable use of said premises for any of the purposes stated, or, if because of any request or order of any governmental authority, the sale of gasoline at said premises is substantially curtailed, then and in such event or any thereof Lessee shall have the right to cancel this lease by giving Lessor at least ten (10) days' notice of its intention so to do.

13. In the event the Lessee shall hold over beyond the expiration of the term herein provided or any renewal or extension thereof, it is expressly understood and agreed that any such hold-over tenancy shall be a month to month tenancy only, and either the Lessor or the Lessee may terminate such tenancy at any time by giving the other party thirty (30) days written notice of its intention to do so.

14. It is further understood and agreed that all notices given under this lease shall be deemed to be properly served if delivered in writing personally, or sent by registered mail to the Lessor at the address herein shown, or to the Lessee at its main office in Chicago, Illinois. Date of service of a notice served by mail shall be the date on which such notice is deposited in a post office of the United States Post Office Department.

In Witness Whereof, the said Lessor ha hereunto set hand and seal, and the said Lessee has caused this instrument to be executed the day and year first above written.

Benjamin C. Schroeder (SEAL)
Lessor

Gladys L. Schroeder (SEAL)
Wife of Lessor

In Presence of:
Glenz M Ayers

STANDARD OIL COMPANY
By M Stylet
Manager

STATE OF Wyoming
COUNTY OF Sheridan } SS.

ACKNOWLEDGMENT FOR LESSOR (INDIVIDUAL)

Personally appeared before the undersigned, a Notary Public in and for said county and state Benjamin C. Schroeder and Gladys L. Schroeder his wife, personally known to me to be the parties who executed the foregoing instrument, and acknowledged that they executed the same as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal, this 22 day of May, A. D. 1952

My Commission Expires 9—28—55

My commission expires

Joe Hamm
Notary Public

CONSENT OF OWNER

(to be completed when lessor is not the owner of property.)

The undersigned, owner in fee simple of the premises described in the within lease, hereby consents thereto and agrees with said Standard Oil Company that it may at its option enter the hereinabove described premises and remove therefrom any and all improvements, pumps, tanks and equipment located on said premises, heretofore or hereafter purchased by said Standard Oil Company or placed thereon by it, at any time during the term of the within lease or any extension thereof, and for a period of thirty (30) days after the expiration or prior termination of the above lease for any reason whatsoever. The undersigned further agrees that if the lessor shall default in the payment of the rent reserved in his lease with the undersigned, the undersigned will forthwith give to the said Standard Oil Company written notice of such default, and the said Standard Oil Company may, at its option, pay said rent and will thereupon succeed to the rights of the lessor in the demised premises to the same extent as if the lessor had assigned his lease to the Standard Oil Company.

(SEAL)

(SEAL)

Approved as to Form:
RCC

158

54 Sheridan - Wyoming

RECORDED JUNE 30, 1952, BK 88 PG 158
NO. 340653, B. B. HUME, COUNTY CLERK

Form 88 Special—Wyoming
8-44—V

OIL AND GAS LEASE

KINTZEL BLUE PRINT CO
CASPER WYOMING

THIS AGREEMENT, entered into this the 29th day of May, 19 52,

between Vera E. Hutton and Douglas Hutton, her husband

303 South Brooks Street, Sheridan, Wyoming, hereinafter called lessor

(whether one or more), and Sinclair Oil & Gas Company,

hereinafter called lessee, does witness:

1. That the lessor, for and in consideration of Ten and more - - - - - - - - - - - - - - DOLLARS ($ 10.00) cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained to be performed by the lessee, has granted, demised, leased and let and hereby does grant, demise, lease and let unto said lessee, for the purpose of mining, exploring by geophysical and other methods, and operating and producing therefrom oil, gas, casinghead gas and casinghead gasoline, and the right of injecting water, brine and other fluids into the subsurface strata, laying pipe lines, building telegraph and telephone lines, tanks, towers, stations, gasoline plants, ponds, roadways and structures (including those for housing and boarding employees thereon), and including any and all equipment, appliances and machinery that may be useful, necessary or convenient to produce, save, take care of, store and manufacture oil, gas or casinghead gasoline, or to carry out the other purposes hereinbefore set out for the economical operation alone or conjointly with other land, the following described tract of land in Sheridan County, State of Wyoming, to-wit: An undivided one-half interest in and unto

Township 54 North, Range 83 West, 6th P.M.

Section 20: S/2 NE/4, SE/4, also a tract of land containing 17.50 acres, more or less, in SE/4 NW/4 and NE/4 SW/4 described as follows: Beginning at the NE corner of said SE/4 NW/4, thence West on the North line thereof 990 feet to a point, thence South 32 degrees East a distance of 1827 feet to a point on the East line of the NE/4 SW/4, thence North 1543 feet to the point of beginning

in Section ..... Township ..... Range ..... and containing 257.50 acres, more or less.

2. It is agreed that this lease shall remain in force for a term of ~~twenty~~ five years from this date and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from said leased premises, or operations for drilling are continued, as hereinafter provided, or operations are continued for the injection of water, brine and other fluids into subsurface strata; PROVIDED, however, that for injection purposes this lease shall continue in full force and effect only as to the well or wells so used and ten (10) acres immediately surrounding each of said wells.

3. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛th) part of all oil produced and saved from the leased premises, or at lessee's option, may pay to the lessor for such one-eighth (⅛th) royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into pipe line or into storage tanks.

4. The lessee shall pay the lessor:—

(a) If sold by lessee, one-eighth (⅛th) of the proceeds received by the lessee from the sale of gas, including casinghead gas produced from any well; or

(b) If utilized by lessee, one-eighth (⅛th) of the value at the mouth of the well, computed at the prevailing market price, of the gas, including casinghead gas produced from any well and used by lessee off the leased premises for any purpose, or used on the leased premises by the lessee for purposes other than the development and operation thereof.

Such payments shall be received and accepted by lessor as full compensation for such gas, casinghead gas, gasoline or any by-products extracted or manufactured therefrom, as well as residue gas remaining after the extraction or manufacture of gasoline from such gas. The lessor to have gas free of cost from any gas well on the leased premises where dry gas only is found for all stoves and inside lights in the principal dwelling house on said premises by making his own connection to said well; such connection, the necessary fittings and pipe shall be furnished and maintained by lessor free from leaks and all without cost, expense or risk to lessee. The use of said gas by lessor at all times shall be at his sole risk.

5. In the event that no earned royalty on oil, gas or casinghead gas is accruing to the lessor under the terms hereof, the lessee shall pay the lessor at the rate of Fifty Dollars ($50.00) per year, payable annually, on each well where gas only is found, and while said gas is not used or sold and during the time said sum is so paid said well shall be held to be a producing well under paragraph two (2) hereof.

6. If operations for the drilling of a well for oil or gas are not commenced on the leased premises on or before the 21 day of May, 19 53, this lease shall terminate as to both parties, unless the lessee shall on or before that date pay or tender to the lessor, or deposit for the lessor's credit in the The First National Bank, at Sheridan, Wyoming, or its successor or successors, or any bank with which it may be merged or consolidated or which succeeds to its business or assets, or any part thereof, by purchase or otherwise, or the National Bank of Tulsa, Tulsa, Oklahoma, in the event said depository bank, its successor or successors, is taken over by the State or Federal banking authorities or for any reason ceases to do business; which banks are the lessor's agent and shall continue as a depository of any and all sums payable under this lease, regardless of changes in the ownership of said land or in the oil or gas or in the rentals to accrue hereunder, the sum of Two Hundred Fifty-Seven and 50/100 - - - - - - DOLLARS ($ 257.50), which shall operate as a rental and cover the privilege of deferring the commencement of drilling operations for the period of one (1) year from said date. In like manner and upon like payments or tenders the commencement of drilling operations may be further deferred for like periods successively. All payments or tenders hereunder may be made by check, draft or audited voucher of the lessee, his (its) heirs, executors, administrators, successors or assigns, mailed, delivered or deposited as aforesaid on or before the rental paying date, it being understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rental is payable as aforesaid but also the lessee's option of extending that period as aforesaid and any and all other rights conferred.

7. Notwithstanding the death of the lessor, or his successors in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such person.

8. If at any time prior to the discovery of oil or gas on said land, and during the primary term of this lease, lessee should drill a dry hole, or dry holes, thereon, the lessee shall on or before the next ensuing rental paying date commence further drilling operations or pay or resume the payment or tender of the rentals aforesaid, providing that if any such dry hole be completed within less than sixty (60) days before the next ensuing rental paying date, lessee shall nevertheless have at least sixty (60) days from such completion within which to commence such further drilling operations or resume the payment or tender of such rentals, and the effect shall be the same as if such further operations had been commenced, or such rentals paid or tendered, on or before such rental paying date; PROVIDED FURTHER, that in the event any well drilled upon the leased premises is not productive of oil or gas in commercial quantities and is not abandoned and plugged as a dry hole, such well shall for the purposes of this paragraph be considered a dry hole. Lessee's right to so resume drilling operations and/or the payment or tender of such rentals shall continue to exist during the primary term of this lease.

9. If the above lessor owns a less interest in the above described ~~entire or undivided estate~~ estate ~~herein~~ then the royalties and rentals herein provided for shall be paid the lessor only in the proportion which his interest bears to the ~~whole and undivided estate~~ described estate.

10. The lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than two hundred feet (200') to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during or ninety (90) days after expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

11. If the oil, gas or other mineral rights under the leased premises are now owned or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that said oil, gas or other mineral rights owned by each bears to the entire oil, gas or other mineral rights leased hereby. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the premises covered hereby may be hereafter divided as to the surface, oil, gas or other mineral rights by sale, devise or otherwise, or to furnish separate measuring or receiving tanks, or to make any separate accounting based on any such divided ownership.

12. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns; but no change in the ownership of the land or assignment of rentals or royalties shall be binding upon the lessee until after the lessee has been furnished with the original recorded transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or parts of the above described lands and the owner or holder of said lease or any interest therein covering any part or parts of said lands shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands as to which the said lessee or any assignee thereof shall make due payment of a proportionate part of the said rental. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and execute division and transfer orders on behalf of said parties, and their respective successors in title.

13. While the leased lands are used for the injection of water, brine or other fluids produced from other premises, the lessee shall pay to lessor the sum of Twenty-five Dollars ($25.00) per year for each well used for such injection. All injections herein authorized shall be made into subsurface strata lying below the strata furnishing lessor fresh water for domestic or stock use.

14. Compliance with any now or hereafter existing law purporting to be enacted by Federal or State Legislative authority, or with orders, judgments, decrees or regulations made or promulgated by State or Federal courts, State or Federal officers, boards, commissions or committees, purporting to be made under authority of law, shall not constitute a violation of the terms of this lease or be considered a breach of any obligation herein, nor shall it constitute a cause for the termination, forfeiture, reversion or revesting of any estate or interest hereby created, nor shall compliance confer any right of entry or become the basis of an action for damages or suit for the forfeiture or cancellation hereof, and while any such purport to be in force and effect they shall, when complied with, to the extent of such compliance, operate as a modification of the terms and conditions of this lease where inconsistent therewith.

15. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if during the primary term of this lease or at any time thereafter that this lease is in force by the production of oil, gas, or casinghead gas or casinghead gasoline after such primary term, if the lessee shall commence drilling operations during either of said periods, it shall remain in full force and effect and its term shall continue as long as such operations are prosecuted and if production results therefrom, then as long thereafter as such production continues.

16. Lessee may at any time surrender this lease as to all or any part of said land by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the proper county.

17. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied or assessed on or against the above described lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien any royalty or rentals accruing hereunder.

18. The undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises herein described, in so far as said right of dower and homestead may in any way affect the purposes for which the lease is made, as recited herein.

19. This lease and all its terms, conditions and stipulations shall extend to and be binding on the assignees, heirs, devisees and successors of lessor or lessee.

IN TESTIMONY WHEREOF, we sign, this the 29th day of May, 19 52

WITNESS:

Virginia Jenkins
Sdfp

Vera E. Hutton (SEAL)
Douglas Hutton (SEAL)
(SEAL)

Individual Acknowledgment Single or Married

STATE OF WYOMING
COUNTY OF SHERIDAN } SS.

On this 29th day of May, 1952, 19~~XX~~, before me personally appeared Vera E. Hutton and Douglas Hutton, her husband,

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 29th day of May, 1952, ~~19XX~~.

My Commission Expires:
December 26, 1955

N. K. Twiem
Notary Public