

No. 900.

AGREEMENT.

Charles P. Budd, et al

Tp

Utah Oil Refining Co.

STATE OF WYOMING)

COUNTY OF SUBLETTE) SS. Filed for record in my office
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KEITH CULBERTSON,
County Clerk, Ex-Officio Register
of Deeds and Ex-Officio
Clerk of Courts.

THIS AGREEMENT, Made and entered into this 29th day of January, A. D. 1924, by and between CHARLES P. BUDD, of Marbleton, Wyoming, GRACE MacGLASHAN, of Big Piney, Wyoming, L. F. FLETCHER, of Osage, Wyoming, and L. B. MAUPIN, OF Baggs, Wyoming, hereinafter called the "Owners", the parties of the first part, and the UTAH OIL REFINING COMPANY, a Utah corporation, hereinafter called the "Contractor", the party of the second part, WITNESSETH:

THAT WHEREAS, on or about the 19th day of September, 1922, pursuant to an application therefor, there was issued to the Owners under Section 19 of the Act of February 25, 1920 (41 Stat. 437), a permit, Serial No. Evanston 08047, granting to them the exclusive right, for a period of two years from the date thereof, to prospect for oil and gas the following described lands, located in the so-called Dry Piney field. Sublette County, Wyoming, to-wit:

THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 28 NORTH, RANGE 114 WEST, 6th P. M. AND

WHEREAS, the parties hereto believe the lands described in said permit contain valuable deposit of oil and gas; and,

WHEREAS, the Owners desire to contract for the exploitation, development and operation of the East One-half of the Northeast quarter of said Section 2, and the production of the oil and gas therein, in full compliance with said Act of Congress and the regulations thereunder; and,

WHEREAS, the Contractor is able efficiently and economically to prospect for oil and gas on said premises, and to exploit, develop, produce and handle any oil or gas that may be found in commercial quantities therein, and to furnish the necessary working capital for the purposes aforesaid, and is desirous of obtaining the exclusive right to enter upon the lands described in said application and to prospect thereon and to develop, produce, market and handle any oil or gas found thereon:

NOW, THEREFOR, in consideration of the premises, and the sum of One Dollar (\$1.00) by each of the parties to the other in hand paid, receipt whereof is hereby confessed and acknowledged; and in further consideration of the mutual promises and covenants herein-after set forth, it is agreed:

ARTICLE 1.

SECTION 1. That the contractor shall have and is hereby given exclusive right of possession and occupation of the East one half of the Northeast Quarter of Said Section 2 under said permit an all leases or extensions or renewals or amendments of said permit or leases that my hereafter be granted by the United States to said Owners, for the purpose of prospecting or drilling for, developing, producing and marketing all oil and/or gas therefrom; subject, however, to the right of the Owners to enter upon said premises at any and all reasonable times for the purpose of inspecting the same and the operations of the Contractor thereon.

Section 2. That under and pursuant to the provisions of the Act of Congress, granting to the Secretary of the Interior authority to extend the time within which to begin drilling operations or to complete the same, the Owners shall, if and when requested so to do by the Contractor, apply to the Secretary of the Interior for a maximum period of time from and after the date of the granting of such extension within which to comply with the requirements of said permit, as so extended; such application for extension to be prepared by the Contractor, and after execution by the Owners, to be by the Contractor submitted to the Secretary of the Interior.

Section 3. That the Contractor shall have full and complete charge and control of all operations upon said lands and shall continue in control during the life of this agreement and during the term of said permit, and of any lease or leases which may be issued to the Owners, as well as of any extension or extensions, renewal or renewals or amendment of said permit, lease or leases in whole or in part.

Section 4. On that part of the lands embraced in said permit as to which the royalty fixed and charged by the Government shall be less than twenty per cent (20%), eight per cent (8%) of the amount of all oil and/or gas produced and saved therefrom shall belong to the Owners; and on that part of the lands embraced in said permit as to which the royalty fixed and charged by the Government shall amount to twenty per cent (20%), or in excess of that amount, five per cent (5%) of the amount of all oil and/or gas produced and saved therefrom shall belong to the Owners, and after turning over to the United States its royalty or the value thereof, and after turning over to the Owners their royalty or the value thereof, the Contractor, for its services and expenditures hereunder, shall be entitled to retain the balance of the total amount of all oil and/or gas produced and saved from said lands. In computing total production for the purpose of this section, the Contractor shall not be charged for oil or gas used either in development or production operations upon any part of said lands, or unavoidably lost.