

NO. 1812.

MEMORANDUM OF AGREEMENT

LaBarge Oil Company

STATE OF WYOMING,)
COUNTY OF SUBLINTE,)
9:00 o'clock A.M., and duly recorded in Book 1 of Mscls.,
on page 290.

To

Ivan S. Jones

Fees, \$3.50

J. P. Fuller

County Clerk.

THIS AGREEMENT, made and entered into this 4th day of February, 1924, by and between LABARGE OIL COMPANY, a Wyoming Corporation, of Kemmerer, Wyoming, hereinafter called the "owner," the party of the first part, and IVAN S. JONES, of Kemmerer, Wyoming, hereinafter called the "contractor," the party of the second part, WITNESSETH:

THAT, WHEREAS, on or about the 18 day of July, 1923, pursuant to an application therefor, there was issued to the owner, under Section 13, of the Act of February 25, 1920 (41 Stat. 437); a permit, Serial No. 07674, Bismarck Land Office Series, granting to it the exclusive right, for a period of two years from the date thereof, to prospect for oil and gas the following described lands, situate in the so-called LaBarge Field, in Sublette County, Wyoming, to-wit:

The West half (W_{1/2}) of Section Thirty-four (34), Township Twenty-seven North, Range One Hundred Thirteen (113) West of the Sixth Principal Meridian, Wyoming, consisting of approximately 320 acres.

and,

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

WHEREAS, the owner desires to contract for the exploitation, development and operation of said lands, and the production of the oil and gas thereon, in full compliance with the said Act of Congress, and the regulations thereunder; and,

WHEREAS, said contractor is desirous of obtaining the exclusive right to enter upon the lands described in said permit, and to prospect thereon, and to develop, produce, market and handle any oil or gas found therein:

NOW, THEREFORE, in consideration of the premises, the full and faithful performance by the contractor of his covenants hereinafter set forth, and the payment to the owner by the contractor of the sum of one dollar, receipt whereof is hereby confessed and acknowledged, the owner covenants and agrees to and with the contractor as follows:

ARTICLE I.

Section 1. That so long, and only so long, as the contractor shall fully comply with all the terms, conditions, provisions and covenants of this agreement, he, the said contractor, shall have and is hereby given exclusive possession and occupation of said described premises, as herein provided, under said permit and all leases or extensions or renewals or amendments of said permit or permits or leases that may hereafter be granted by the United States to said owner, its successors or assigns, for the purpose of prospecting or drilling for and developing, producing and marketing all oil and/or gas therefrom; and the contractor shall have full and complete charge and control of all operations upon said lands, and shall continue in control thereof during the life of this agreement;

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 owner shall, if and when requested to do so 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 owner, to be by the contractor submitted to the Secretary of the Interior. Provided, however, that the provisions of this paragraph and/or the compliance therewith by the owner shall not in any event be construed as a consent on the part of the owner to any violation on the part of the contractor of its obligations hereunder assumed.

Section 3. That the contractor shall have full and complete charge and control of all the 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 owner, as well as of any extension or extensions, renewal or renewals of said permit, lease or leases, in whole or in part. Subject to the provisions of Section 1, of Article I, hereof.

Section 4. That on that part of the lands embraced in said permit which shall be leased to the owner at the minimum royalty of five per cent. (5%), the contractor shall, for his services and expenditures hereunder, be entitled to retain eight-seven and one-half per cent (87%) of the total amount of all oil and/or gas produced and saved therefrom. Of the remaining twelve and one-half per cent. (12%) of said total amount, five per cent. (5%) shall by the contractor be turned over or its value paid to the United States as its royalty, and the balance of seven and one-half per cent. (7%) shall belong to the owner. On that part of the lands embraced in said permit as to which the royalty fixed and charged by the Government shall be twelve and one-half per cent. (12%) or in excess of that amount, two and one-half per cent (2%) of the amount of all oil and/or gas produced and saved therefrom shall belong to the owner, and after turning over to the United States its royalty or the value thereof, the contractor, for his services and expenditures hereunder shall be entitled to retain the balance of the total amount of all oil and/or gas produced and saved therefrom. 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