

wells drilled, unless oil or gas in commercial quantities shall be discovered at a lesser depth. The contractor shall have the right to drill any well with Diamond Drill, and the owner shall request permission from the Secretary of the Interior for the use of Diamond Drills in the same manner as provided for securing extensions of time as set out in Section 2 of Article 1 hereof. Time for the commencement of drilling operations may be extended from month to month not exceeding four months upon payment by the contractor to the owner of the sum of one hundred fifty dollars, per month, payable each month in advance, such extensions to be at the option of the contractor.

Section 2. That if oil or gas shall be discovered upon said premises in paying quantities, the contractor, subject to the right to surrender therein contained, shall continue in possession thereof, and, consistently with the then prevailing condition of the market for crude petroleum of other products of said lands, but within the time of the term of the lease thereon, shall drill such additional wells, and to such depths, as may be necessary for the proper developments of said lands, in the opinion of the contractor.

Section 3. The contractor shall keep books containing all production data on said premises and the distribution of oil and gas therefrom or proceeds, thereof, and said books shall be open during all reasonable hours to the inspection of the owner. And the contractor shall furnish to the president of the owner company monthly statements of all oil and/or gas produced from the lands the subject of this agreement, and upon request of the owner shall supply to the owner a copy of any and all records pertaining thereto; Provided, that the owner shall have the right to employ at its own expense and maintain upon said lands, at the wells thereon, one or more checkers or gaugers, who shall have access to the wells where production is obtained, at any and all reasonable times, and shall be permitted by the contractor to check and gauge for the owner the amount of production of oil and/or gas being obtained therefrom by the contractor.

Section 4. That upon discovery of oil or gas in paying quantities upon any of said lands, the contractor shall have the right to designate one quarter ($\frac{1}{4}$) of the area embraced within said permit, and in the name of the owner shall thereupon apply to the Secretary of the Interior for a lease thereon, at a royalty of five percent (5), and shall at the same time and in like manner apply for a lease upon the entire balance of said above described lands upon such royalty as the Secretary may fix, and shall thereafter take all necessary steps to obtain the granting of such lease and any necessary renewals thereof.

ARTICLE III.

Section 1. This agreement and each and every of its terms, provisions and conditions shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

Section 2. Said owners represent and warrant that they are the owners of the above permit and they have not entered into any agreement with any other person or persons, firm or corporation affecting the lands above described that no other person or persons, firm or corporation has acquired any right to said lands under said permit; and the party of the first part agrees to protect the party of the second part against any expense, loss or damage arising as the result of claims or rights asserted by other persons in or to said lands under said permit.

Section 3. Nothing herein contained shall be construed as being in any manner in derogation of any of the terms, conditions or provisions of the Act of Congress under and by virtue of which said permit was issued, or any regulations of the Department of the Interior lawfully promulgated thereunder; but, on the contrary, this agreement shall in all particulars be deemed tenable to reformation to eliminate or modify any portion thereof found to be in contravention of the provisions of said Act or such regulations or against public policy, and shall remain and be in full force and effect and as to all provisions not so eliminated or modified.

Section 4. Of any taxes levied during the life of this agreement on or against production from the lands the subject of this agreement, the owner shall pay its proportionate share thereof, based upon its ownership of such production, and the contractor shall pay the balance of such tax.

IN WITNESS WHEREOF, the party of the first part has caused this instrument to be executed in its name by its Vice-President, and attested with its seal by its Secretary pursuant to a Resolution of its Board of Directors, and said party of the second part has hereunto set his hand and seal the day and year herein first above written. Done in duplicate.

WYOTAH OIL & GAS COMPANY,
Party of the First Part.

By M. S. Poulter
Vice-President.

WITNESSES:-

N. J. Harris

ATTACH: - Eph. W. Manning
Secretary.

Blenda Dawson

Lester S. Scoville
Party of the Second Part.

STATE OF UTAH, }
COUNTY OF WYOMING. } SS.

On this 23 day of April, A. D. 1925, before me, personally appeared M. S. POULTER and EPH. W. MANNING, to me personally known, who being by me first duly sworn did say that they are the Vice-President and Secretary respectively of the Wyotah Oil & Gas Company, a corporation, described in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said M. S. POULTER and EPH. W. MANNING, each duly acknowledged said instrument to be the free act and deed of said corporation.