

WHEREAS, the landowners in that portion of Sublette County where said lands herein-after described are situated, believe that the drilling of a test well will greatly enhance the value of their said lands whether said test well is drilled upon the land herein described or on some other adjoining lands;

NOW THEREFORE THIS AGREEMENT made and entered into this twenty-first day of December, 1926, by and between Clifton Fear whose postoffice address is Big Piney, Wyoming, PARTY OF THE FIRST PART, hereinafter called LESSOR and the Beneficial Oil Co., a Utah Corporation whose postoffice address is Ogden, Utah, PARTY OF THE SECOND PART, hereinafter called LESSEE.

WITNESSETH: That the lessor for and in consideration of one dollar in hand paid, the receipt of which, is hereby acknowledged and the covenants and agreements hereinafter contained on the part of the lessee to be kept and performed does hereby grant, demise, lease and let unto the lessee for the purpose of drilling, operating for and producing oil and gas thereon, together with rights-of-way and servitudes for pipe lines, tanks, power-houses and stations for producing and caring for such products, for oil and gas with the right to use free oil, gas or water for such purposes for and during the term of five years and as long thereafter as oil or gas is produced in paying quantities, all that certain tract of land situated in the county of Sublette, state of Wyoming, and described as follows, to-wit:

Lots 2, 3 & 4 and the SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 5; NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 8; Lots 2, 3, W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 9, all in Township 29 N., Range 111 W. of the Sixth P. M. Wyoming, containing 925.08 acres, more or less, also NE $\frac{1}{4}$ SW $\frac{1}{4}$  and the SE $\frac{1}{4}$  Section 8; and the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and the W $\frac{1}{2}$  of the SW $\frac{1}{4}$ , and Lots 5, 8 of Section 9; Township 29 N., Range 111 W. of the Sixth P. M. containing 375 acres, more or less, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State.

In consideration of the premises the lessee further covenants and agrees:

WHEREAS, the lessee has already assembled machinery, casing, tools and equipment on Section 5 owned by the lessor, he does now agree to prosecute and pursue with due diligence and industry the drilling of this test well and also any other wells which will be drilled upon oil structures within the bounds of the lands described above; it being further agreed that where wells are drilled on adjoining lands on structures that proper offset wells will be drilled by lessee to protect the lessor's interest. In case any of the lands described in this lease are not suitable for oil drilling and the lessee desires not to drill this land, he will in that event file with the county clerk of Sublette County a release describing in full the location and acreage of the land so released as a part and portion of the lands described above. Lessee shall not be released from responsibility for payments of royalties where lands are subleased.

To deliver to the credit of the lessor (less transportation costs, government charges, allowances and taxes) in the pipe line to which the lessee may connect its wells as rent or royalty, the equal one-eighth (1/8) part of all oil and gas produced and saved from the leased premises.

All payments of money, under this lease, may be made or tendered by check direct to the lessor or by registered letter addressed to the lessor at his last known address or deposited to the lessor's credit in the - - - - bank of - - - - or its successors or assigns unless or until the lessor shall designate in writing to the lessee some other address or bank or trust company as depository on the first of each month.

The lessee shall have the right at any time to release from the operation of this lease any part or portion of the lands hereinbefore described by giving to the lessor notice thereof in writing, and from the date of such notice, the lessor and lessee shall each be released from all of the terms and provisions of this lease so far as the same affects such premises so released, but as to the portion of said land not so released this lease shall remain in full force and effect.

No well shall be drilled nearer than one hundred feet to any building now on said land without the written consent of the lessor.

In the event a dry hole or a well not producing oil, gas or other mineral product in commercial quantities is drilled, or a well ceases to produce in commercial quantities the lessee shall have eighteen months from the date of the completion of said dry hole or said well, or from the date any well ceases to produce oil, gas or other mineral product in commercial quantities, in which to continue operations on the above land, during which time no royalties shall be due or payable and this lease shall be in full force and effect for said time as fully as if said royalties had been paid or a well, producing oil, gas or other mineral product brought in or in operation.

And if oil and gas are encountered in commercial paying quantities and the well is a paying well then the lessee shall continue to develop such lands on oil structures with due diligence subject to delays such as unavoidable breakage in machinery or severe weather or winter or Acts of Providence where it would make it unprofitable to continue for a certain period of time, then the lessee shall not be obligated to continue drilling until more favorable conditions prevail but in no event whatsoever shall the lessee discontinue drilling this first test well for a continuous period of more than six months at one time without the written consent of the lessor.

No change in ownership of said land or the rentals or royalties due hereunder shall affect or bind the lessee until such purchaser shall have furnished lessee proper certificate of ownership showing as a part thereof the title claimed by the purchaser.

Lessee shall pay damages to growing crops on said lands. When requested by the