

mineral product in commercial quantities, and if either of said events occur within the period of three years from the date hereof then eighteen months from the expiration of said period of three years, in which to continue operations on the above land, during which time no rents shall be due or payable and this lease shall be in full force and effect for said time as fully as if said rents had been paid or a well producing oil, gas or other mineral product brought in or in operation.

7. The lessee may obtain leases upon other tracts of land and the lessors specially consent and agree that the lessee may, if he shall so elect, designate, determine and establish one or more acreage districts and include therein the land, or any part thereof, hereby leased within any of such districts. In case of the designation or formation of any such district or districts, the lessee shall notify the lessors of such district designation within which the land hereby leased, or any part thereof, has been included. Any such district shall embrace such lands as may be leased to or otherwise secured by the lessee and selected by him and shall contain not to exceed twenty acres.

The lessors agree that the commencement of work anywhere within the district, of which the land hereby leased, or any part thereof, shall form a part, shall be deemed to constitute a full compliance with the terms and provisions of this lease with respect to the time within which the lessee is to commence development work hereunder.

It is also agreed in case said lands or any part thereof shall be included in any such district that the royalties hereinbefore specified to be paid by the lessee shall be payable to the lessors, in the proportion that any acreage described in this lease and included in such district shall bear to the total acreage embraced within such district.

8. The lessee shall have the right at the termination of this lease, or at any other time, to remove from the premises hereby leased all machinery, tools, appliances, personal property and fixtures placed on said premises by him, including the right to draw and remove such casing from the holes caused by him to be drilled on said land, provided that if a well of water is developed by the lessee on said premises, and the lessee contemplates the abandonment thereof, the lessors shall have the right to such well upon payment to the lessee of the cost of the casing therein.

9. If the lessee fails to commence drilling operations as herein specified or fails to pay rentals for each year thereafter said commencement is delayed, as hereinbefore provided, or fails to pay the royalty as herein provided, the said lease may, after ninety days written notice given by the lessors to the lessee, be terminated, unless said lessee shall within said ninety days pay said rentals or royalties or commence said drilling operations on the land described herein.

10. If the estate of either party hereto is assigned (and the rights or privileges of assigning in whole, or in part, is expressly allowed) the covenants hereof shall extend to and become binding upon 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 such written transfer or assignment or instrument or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned by the lessee as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall make default in the payment of the proportionate part of the rents or royalties 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 upon which the said lessee or any assignee thereof shall have made due payment of said rental.

11. The lessors hereby warrant and agree to defend the possession and title to the lands herein described and agree that if said land now is or hereafter becomes subject to any past due mortgage, delinquent tax or other liens or charges whatsoever, which if unpaid might defeat lessee's title, possession or use under this lease, the lessee may, at his election, pay the same with all costs, and penalties connected therewith, and for moneys so expended he shall have a lien upon said land, or the lessee may at his election deduct such expenditures from any rents or royalties due or to become due hereunder.

12. If the lessors own a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rents herein provided for shall be paid the said lessors only in the proportion which said lessors' interest bears to the whole of an undivided fee simple estate.

13. The lessors hereby expressly waive all benefits under the homestead exemption laws of the State of Wyoming insofar as the same may be applicable to the premises hereby leased.

14. The lessee agrees, at the termination of this lease, to execute and deliver to the lessors a good and sufficient release as to the lands covered and affected by this lease.

15. The term lessors as used herein shall be construed to include both singular and plural application of the word lessor.

16. All the terms, covenants and conditions herein contained shall extend to and bind the respective heirs, executors, administrators, successors and assigns of the

IN TESTIMONY WHEREOF the lessors a
presents, in duplicate, this 15th day o

Arthur Mocroft

Effie J. Mocroft

Fred Mollring

STATE OF WYOMING,)
COUNTY OF SUBLIME,)
ss.