

No. 6744

DRILLING AND OPERATING CONTRACT

Adam Rutherford

STATE OF WYOMING

SS. Filed for record this 10th day
COUNTY OF SUBLINTE of August, A. D. 1920 at 9:00 o'clock
A.M., and duly recorded in Book 2 of Miscellaneous on
page 273.

To

Miller Robert Taylor

J. P. Fuller
County Clerk

Fees, \$3.50

THIS AGREEMENT, Made this 30th day of June, A. D. 1920, by and between Adam Rutherford of Denver, Colorado, hereinafter referred to as "Permittee," and the Miller Robert Taylor of Kansas City, Missouri hereinafter referred to as "Contractor," WITNESSETH:

WHEREAS, Permittee is the owner of an oil and gas prospecting permit under the Act of February 25, 1920, (41 Stat. 437), granted to him October 27, 1925, and designated as Evanston, Wyo. Serial No. 010272 for the following described lands:

NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 6; NW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{4}$, SEC. 5; E $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{4}$,
Sec. 8; E $\frac{1}{4}$ E $\frac{1}{4}$, Sec. 17; E $\frac{1}{4}$ E $\frac{1}{4}$, Sec. 20; and all Sec. 21; NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$,
NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 28; Tp. 27 N., R. 115 West 6th P.M., containing 2520 acres.

THEREFORE for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations paid to Permittee by Contractor, receipt of which is hereby acknowledged, and the mutual covenants of the parties hereinafter contained, the parties hereto hereby agree:

1. That Permittee hereby represents and warrants that he is the owner, without encumbrances, of the entire interest in said permit, except "one."

That said permit is in good standing and not in default for failure to comply with the conditions thereof, except that an extension of time will be applied for, provided, that Contractor shall not be subject to any obligation under this contract, unless and until any such default existing at the date of this contract, shall have been cured by extension or otherwise.

2. That subject to the conditions and reservations hereinafter provided, Permittee hereby gives and grants to Contractor the right to enter on and take possession of said permit lands for the development and operation thereof, for the production of oil and/or gas, in conformity with and subject to all the conditions and requirements of said permit, of any lease or leases granted pursuant to said permit, the applicable laws and regulations, and this contract, throughout the lease or leases granted pursuant to said permit, the applicable laws and regulations, and this contract, throughout the term of said permit, lease or leases, or any renewal or extension thereof, unless sooner terminated as herein-after provided.

3. That Contractor agrees to comply with each and every condition and requirement of said permit, lease or leases, and applicable laws and regulations, or with such conditions and requirements as same may be extended or modified by order of the Department of the Interior, throughout the period of this contract.

4. That, to facilitate the operations of Contractor hereunder, Permittee shall execute and file such applications for extension and applications for leases and take such other action before the Department of the Interior as Contractor shall request, doing all things necessary and proper in the premises, in accordance with the facts, for the maintenance and protection of the rights and interests of the parties hereto under said permit, lease or leases; and further for mutual convenience, Permittee hereby constitutes and appoints Contractor, his successors and assigns hereunder, the true and lawful Attorney-in-fact of Permittee, and with full power and authority to take any such action before the Department of the Interior as Permittee might be required to take on request of Contractor as aforesaid, in the name and on behalf of Permittee, for the use and benefit of the parties hereto, Permittee hereby ratifying all lawful acts of Contractor under this authority.

5. That when and if, pursuant to and as a result of, operations under this contract, Permittee shall be entitled to lease or leased on said permit lands or portions thereof, and lease or leases shall be applied for pursuant to the last preceding paragraph, Contractor shall designate the portion of said lands, known as "primary lands," on which lease shall be applied for at a Government royalty of five per cent (5%) as provided by law; and Permittee shall, on request, and subject to the approval of the Department of the Interior, assign any lease or leases granted on or as a result of said permit, as to all or any part of the land embraced thereby, to Contractor or such other qualified party as Contractor may designate, such assignment to be subject to the royalties and other terms and conditions of this contract.

6. That Contractor shall pay all costs and expenses of development and operation hereunder, inclusive of all rentals and the cost of all bonds hereafter required by law or regulations from the Permittee, lessee or Contractor in performance of this agreement, and all taxes, except that any taxes levied against production from said lands, or measured thereby, shall be paid by Contractor and Permittee in proportion to their respective interests therein. Contractor shall be the owner of all material, equipment, and structures placed on said permit lands for operation and development under this contract, and subject to Departmental orders and regulations, shall have the right to remove any such material, equipment, and/or structures at any time during the term of this contract, or within a reasonable time after its termination; and Contractor, subject to the payment of royalties as hereinabove provided, shall have the right of sale or other disposition of all oil and/or gas produced hereunder, for Contractor's sole use and benefit.

7. That Contractor shall pay or deliver all royalties due the Government, and any royalties payable to any other party or parties as hereinabove recited, and shall also pay Permittee royalties on all oil and/or gas produced, saved, and marketed from said permit lands and not used for production purposes, under and pursuant to said permit, lease or leases, and subject to this contract, as follows: