

Section 2. That if oil or gas shall be discovered upon said premises in commercial quantities, the Contractor, subject to the right of surrender hereinafter contained, shall continue in possession thereof, and, consistently with the then prevailing condition of the market for crude petroleum or other products of said lands, shall drill such additional wells as may be necessary for the proper development of the same; but in any event, subject to such right to surrender, said Contractor, within three months from and after bringing in on the structure on which the above described premises are located of a well producing oil in commercial quantities, shall, if it had not already done so, commence to drill a well on some part of said permitted lands which shall be of the kind required by said permit, or any extension thereof, and shall prosecute such drilling operations with reasonable diligence until a test of said lands shall have been made.

Section 3. That 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.

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 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 per cent (5%); and shall at the same time and in like manner apply for a lease upon the entire balance of said permit area upon such royalty as the Secretary may fix, and shall thereafter take all necessary steps to obtain the granting of such leases and any necessary renewals thereof.

ARTICLE III

Section 1. That 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 Owner represents and warrants that he is the owner of the above permit application Serial No. Evanston 07788, and that he has not entered into any agreement with any other person or persons, firm or corporation affecting the lands embraced in said permit, and that no other person or persons, firm or corporation has acquired any rights under said application or to said lands; 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 permit or the lands embraced therein.

Section 3. That 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 of the United States lawfully promulgated thereunder; but, on the contrary, this agreement shall in all particulars be deemed amenable to reformation to eliminate or modify any portions 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 as to all provisions not so eliminated or modified.

IN WITNESS WHEREOF, the party of the first part has hereunto affixed his hand and seal, and the party of the second part has caused this instrument to be executed by its proper officers, thereunto duly authorized, the day and year first above written.

Done in duplicate.

(Sgd.) Charles P. Tasker (Seal)

Party of the First Part.

UTAH OIL REFINING COMPANY
Party of the Second Part.

By (Sgd.) John C. Howard
President.

Norma Johnson
Witness as to signature of
Party of the First Part.

ATTEST:

A. N. Johnson
Asst. Secretary.

J. M. Bramwell
Witness as to signatures of
official of Utah Oil Refining
Company.

State of Utah }
County of Salt Lake } SS.

On the 4th day of February, 1924, before me personally appeared Charles P. Tasker, to me known to be the person described in and who executed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal, this 4th day of February, 1924, at Salt Lake City, Utah.

Norma Johnson
Notary Public in and for the State of
Utah, Residing at Salt Lake City, Utah.

My commission expires 12-25-27.

(NOTARIAL SEAL ATTACHED)

State of Utah }
County of Salt Lake } SS.

On this 15th day of February, 1924, before me personally appeared John C. Howard and A. N. Johnson to me personally known, who being by me duly sworn, did say:

That said John C. Howard is the President and said A. N. Johnson is the Assistant Secretary, of the Utah Oil Refining Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed