

or tender to pay to the lessor a rental of One Dollars (\$1.00) per year, payable annually in advance for each additional year such commencement is delayed until a well is commenced on said land. It is expressly agreed that the right to so extend and continue this lease is fully paid for by the consideration above mentioned, and that said payment, or tender when made, shall fully and completely extend this lease from time to time until a well is commenced. The drilling of a producing well on said premises shall operate as a full liquidation of all rentals due or payable under this provision during the remainder of the term of this lease, except that whenever the royalties and payments for gas hereunder are less than the rentals provided under this section, the lessee will pay to the lessor a rental which, together with the royalties and payments for gas, shall equal the rentals provided in this section.

8. The completion of drilling operations which result in a dry hole or a well not producing oil or gas in paying quantities shall be in lieu of all rentals, accruing from and after the date of the commencement of said operations, for a period expiring one year after the termination of said operations, and this lease shall be in full force and effect, for said time as fully as if said rentals had been paid or a producing well completed.

9. All payments of money under this lease may be made or tendered by valid check direct to the lessor or by registered letter addressed to the lessor at Pinedale, Wyoming, or deposited to the lessor's credit in the State Bank of Pinedale Bank of Pinedale, Wyoming, or its successors or assigns, which bank shall continue as the depository regardless of any change of ownership in said lands.

10. The lessor hereby warrants and agrees to defend the title to the land herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder hereof.

11. If the lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be apportioned to the said lessor only in the proportion which said lessor's interest bears to the whole and undivided fee.

12. If the estate of either party hereto is assigned--and the privilege of assigning in whole or in part is expressly allowed--the covenants hereto shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment or rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee of such part or parts shall fail or make default in the payment of the proportion as it covers a part or parts of said lands upon which the said 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 make due payment of said rental.

13. Lessee agrees, at the termination of this lease, to prepare and cause to be recorded a proper release.

14. The benefits of the Homestead Exemption Laws of the State of Wyoming are hereby expressly waived.

15. All the terms and conditions herein shall extend and apply to the respective heirs, executors, administrators and the assigns of the parties thereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Witnesses:

Frank W. Tyler

G. W. Murphy

Curtis C. Feldner

COUNTY OF WYOMING }
STATE OF MONTANA } SS.

I, C. C. Feldner, a Notary Public in and for said County, in the State aforesaid, do hereby certify that said Frank Tyler personally known to me as the person whose name is subscribed to the annexed Oil and Gas Lease, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument of writing as his free and voluntary act for the uses and purposes therein set forth, and expressly waived and released all right, title and benefit of exemption under any and all Homestead Exemption Laws, so-called of the said State of Wyoming.

Given under my hand and Notarial seal, this 20th day of November, A. D. 1928.

My commission expires December 3rd, 1930.

C. C. Feldner

Notary Public.

(SEAL)