

It is further expressly understood and agreed between the parties that the royalties existing but for this agreement in favor of the first parties were covenants running with the above described lands and were obligations of the Midvale Oil Corporation a corporation of Nevada, as the owner of said permit, and that in consideration of the execution by the Midvale Oil Corporation with the North LaBarge Oil Company of an operating agreement and the covenants and agreements therein contained to be performed by each, bearing date the 10th day of March, 1939, to which this agreement shall attach and become a part, providing for the development of the lands the subject of this agreement, that the first parties do each by these presents forever release and discharge the said Midvale Oil Corporation from any and all royalty obligations as have heretofore existed and said second party does undertake, assume and agree to pay the royalties as modified and in this agreement heretofore set forth as and when the same shall become due.

It is further understood and agreed between the parties that the lands the subject of this agreement have been committed to unit operations in what has been designated by the United States Geologic Survey as the North LaBarge Unit Area, which agreement provides, inter alia, for unit or group development of lands the subject of that unit area, and which also provides for a unitization of all overriding royalties on the lands the subject thereof and the first parties hereto each specifically agree to receive and accept in full payment of the royalties above set forth and the second party, its successors and assigns agree to pay from the oil, gas, natural gasoline and associated fluid hydrocarbons produced and saved, such royalties which shall be allocated to the lands the subject of this agreement in the proportion that the respective acreage royalty interests of each of the first parties hereto bears to the participating area or areas or the separate participating zones or horizons as may be defined and set out by the Department of the Interior or pursuant to the terms and conditions of said Unit Agreement.

In the event of failure on the part of the second party to comply with the terms of the Operating Agreement hereinabove referred to with the Midvale Oil Corporation, to which this agreement is attached and made a part thereof, and the Midvale Oil Corporation declares said Operating Agreement rescinded, forfeited and of no further force or effect, that at such time this agreement may be declared null and void and of no further force or effect by the first parties herein jointly or severally as to their respective royalty interests.

This agreement is in lieu of that certain agreement dated May 24th, 1938, by and between all of the first parties hereto (Except Joseph A. Minton and Susan J. Quealy) and the second party, and it is agreed between the parties that said agreement is null and void and of no further force and effect.

This agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF the Wyoming LaBarge and Dry Piney Oil Company has caused these presents executed by its president and secretary and the seal of the corporation affixed thereto, and all of the last directors as trustees for its stockholders, and said other first parties have hereunto set their hands and the North LaBarge Oil Company has caused these presents to be executed by its president and duly attested by its corporate seal and its secretary, the day and year first above written.

Witness:

WYOMING LABARGE AND DRY PINEY OIL COMPANY,

BY George W. Danley, President.

Attest: Grace S. Thomas, Secretary

George W. Danley

Grace S. Thomas

R. L. Hansen

Last directors and trustees for stockholders of the Wyoming LaBarge and Dry Piney Oil Company.

(CORPORATE SEAL)

O. P. Soule

D.O. Willey, by O. P. Soule, attorney in fact.

Emerson C. Willey, - Executor  
executor of the will of I.E. Willey, deceased

Joseph A. Minton, assignee of A.L. Hawkins

Susan J. Quealy, assignee of Samuel Spitz

Parties of the First Part

NORTH LABARGE OIL COMPANY

BY Susan J. Quealy, President

Attest: Jos. A. Minton, Assistant Secretary

Party of the Second Part

(CORPORATE SEAL)

STATE OF UTAH } ss  
COUNTY OF SALT LAKE )

On this 10 day of March A.D., 1939, before me a Notary Public in and for the county