

THIS AGREEMENT made and entered into this 26th day of April, 1938 by and between MARGARET JUSTHEIM of Salt Lake City, Utah, party of the first part, and JOSEPH A. MINTON of Medicine Bow, Wyoming, party of the second part, WITNESSETH:

WHEREAS, the party of the first part on November 10, 1937 made an application under the appropriate acts of Congress applicable thereto to the Secretary of the Interior of the United States for an oil and gas prospecting lease covering the following described lands in Sublette County, State of Wyoming, to-wit:

The SE $\frac{1}{4}$  and the E $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 31, T. 29 N., Range 113 West, 6th Principal Meridian. All of Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18, and the W $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 18, which comprises the W $\frac{1}{4}$  and the SE $\frac{1}{4}$  of said Section 18, T. 28 N., Range 113 West, 6th Principal Meridian; and the E $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 2, and the S $\frac{1}{4}$  of the NW $\frac{1}{4}$  and the E $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 12, and the NE $\frac{1}{4}$  and the E $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 13, T. 28 N., Range 114 West, 6th Principal Meridian, containing 1200 acres more or less,

which said application has been designated Evanston 020106; and

WHEREAS, the parties hereto believe that part of the land described in said application contains valuable deposits of oil and gas; and

WHEREAS, the party of the first part desires to contract with the party of the second part for the exploitation, development and operation of said land and the production and marketing of petroleum products therein in full compliance with all applicable Acts of Congress and regulations;

NOW, THEREFORE, in consideration of the premises and of the sum of Ten Dollars paid to the party of the first part by party of the second part, receipt of which is hereby acknowledged, and the covenants hereinafter set forth to be performed by the parties hereto, their successors and assigns, it is mutually agreed as follows:

Section 1: That the party of the second part shall have and he is hereby given exclusive right of possession and occupancy of all the lands hereinabove described during the life of this agreement under any and all leases that may hereafter be granted by the United States to said party of the first part for the purpose of prospecting or drilling for, developing, producing and marketing all oil, gas, casing-head gas and kindred substances therefrom; subject, however, to the right of the party of the first part or her agent to enter upon said premises at any and all reasonable times for the purpose of inspecting the same and the operations of the party of the second part thereon.

Section 2: That the party of the second part shall have full and complete charge and control of all operations upon said land hereinabove described, and shall continue in control during the life of this agreement.

Section 3: That the party of the second part agrees to pay all Government rentals and royalties assessed, and furnish all bonds demanded or required by the United States covering the land hereinabove described.

Section 4: That the party of the second part agrees to pay to the party of the first part a royalty of one per cent (1%) of the value of all oil or gas produced and saved from said lands, provided, nevertheless, that the second party shall not be charged with oil or gas used in exploration or development operations on said land or unavoidably lost, and the value of said royalty, oil or gas shall be computed in accordance with the prevailing field market price of said oil or gas at the well when produced. Said royalty payments shall be made on or before the 25th day of the month following that month in which said oil or gas is marketed.

Section 5: That the party of the second part agrees to develop said lands in accordance with and to comply with all valid and applicable laws, rules, regulations, and orders of the United States, and of the State of Wyoming.

Section 6: That the party of the first part agrees that the party of the second part may enter into any unit agreement approved or required by the Secretary of the Interior with reference to the lands covered by this agreement, or any part of said lands, and he is hereby authorized and directed so to do, and the terms and conditions of this agreement, or of any lease issued, or extension thereof, by the United States covering said lands, or any part thereof, may be modified to conform to the terms of any such unit agreement, and the party of the first part agrees that she will pool the royalty reserved to her hereunder with that of the other royalty-holders whose lands will be subject to participation by reason of said unit operating agreement or cooperative plan, and party of the second part is hereby appointed as attorney in fact for the party of the first part to enter into any such pooling agreement; said pooling to be in proportion to the royalty and acreage of all royalty and acreage within the participating acreage of the unit area covered by such unit agreement.

Section 7: That the first party shall not declare the rights of the second party under this agreement forfeited for any cause whatever unless the first party shall notify the second party in writing of the existence of and exact nature of the cause of forfeiture, and unless the second party shall fail to remedy or remove said cause within thirty (30) days from the service of such notice.

Section 8: That the second party may, at any time hereafter, surrender and abandon all or any part of the above described land and thereby be relieved of all future obligations of whatsoever kind or nature in respect thereto; provided, however, that such right so to surrender shall be exercised in such manner as to allow the first party at least thirty (30) days prior to the expiration of any extension which may hereafter be granted within which to comply with any drilling requirements which may be incumbent upon her in order to protect her rights from forfeiture or other termination of her lease, and the party of the second part may at any time remove all equipment, machinery, casing, buildings or other structures and other removable property placed by him on said land.

Section 9: That the second party agrees to pay her proportionate share of all taxes and assessments levied or assessed against said land or production therefrom, including any so-called production taxes, and second party shall pay the balance of such taxes.