

No. 33120

. AGREEMENT

Lillian R. Smith

THE STATE OF WYOMING)
SS.
County of Sublette)

To

Sinclair Wyoming Oil Company

Fees, \$5.00

This instrument was filed for record in my office at 11:00 o'clock A.M. on the 27th day of September, A.D., 1945 and duly recorded in Book 9 of Miscellaneous on Page 450.

Helen Atwood, County Clerk

5 Teton - Wyo. O.K. ASTO Substance C. P. W. C-330

THIS AGREEMENT, Made and entered into this 11th day of AUGUST, 1944, by and between Lillian R. Smith, a single woman, Box 1146, Casper, Wyoming, hereinafter called First Party, whether one or more, and SINCLAIR WYOMING OIL COMPANY, a Delaware Corporation, Box 521, Tulsa, Oklahoma, hereinafter called Second Party:

W I T N E S S E T H:

THAT WHEREAS, First Party is the owner of, or has filed an application for, pursuant to the Act of Congress approved February 25, 1920 (41 Stat. 437), as amended, an oil and gas lease upon lands belonging to the United States of America, bearing Evanston Serial Number 022036 covering the following described lands situated in the County of Sublette & Teton State of Wyoming, to-wit:

Beginning at the NW corner of sec. 23 T. 39N-R114W thence due north $2\frac{1}{2}$ miles, east $\frac{1}{2}$ mile, north $3\frac{1}{2}$ miles, west $\frac{1}{2}$ mile, south $\frac{1}{2}$ miles, west $\frac{1}{2}$ mile, south $\frac{1}{2}$ mile, west $\frac{1}{2}$ mile, south 2 miles, east 1 mile, south $\frac{1}{2}$ mile, east $\frac{1}{2}$ mile to the point of beginning; which when surveyed will probably be as follows:

T 38 N, R 114W Sec. 2: NW $\frac{1}{4}$ T 39N, R 114W Sec. 22: SE $\frac{1}{4}$ Sec. 23: W $\frac{1}{2}$
Sec. 26: W $\frac{1}{2}$ Sec. 27: All Sec. 34: All Sec. 35: W $\frac{1}{2}$ Total 2560 acres.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and the other payments as hereinafter provided and other good and valuable consideration in hand paid by Second Party to First Party, receipt of which is hereby confessed and acknowledged, and the mutual covenants and agreements herein contained, it is hereby agreed by and between the parties hereto as follows:

FIRST: The full cash consideration for the execution and delivery hereof is the sum of \$256.00, of which amount the sum of \$256.00 has been paid to First Party by Second Party at the time of the execution and delivery hereof, leaving a balance of \$NONE to be paid upon the issuance of said oil and gas lease, if the same has not been issued at the date hereof and in consideration thereof First Party does hereby give and grant unto Second Party, its successors and assigns, the exclusive right to enter and conduct geological exploration by the use of seismograph and other geophysical and geological methods upon the land above described and for the same consideration First Party hereby grants to Second Party the exclusive option and privilege, to be exercised in whole or in part at any time or or before three years from date of lease, of purchasing and acquiring said oil and gas lease as to all or any part of the lands embraced therein. Said option may be exercised by Second Party notifying First Party in writing of its intention and desire to purchase and acquire said oil and gas lease as to all or any part of the lands covered thereby as it may desire. Said notice shall describe the lands as to which said option is exercised and shall be acknowledged and otherwise in recordable form and multiple executed copies thereof shall be filed with the Secretary of the Interior of the United States. Upon the first exercise of option as hereinabove provided for, First Party shall be paid the sum of \$NONE per acre for the lands as to which said option is exercised and thereafter no payment or payments hereunder shall accrue to or be payable to First Party from Second Party, except the overriding royalty payments under the provisions of Paragraph "NINTH" hereof. In the event Second Party does not elect to acquire an assignment as to all the lands embraced in said oil and gas lease when giving the notice as aforesaid then and in that event the option and privilege given and granted hereby shall continue in full force and effect as to the remaining lands included in said lease for and during the full term of the aforesaid option period as provided above. After the first exercise of option as provided above Second Party may, at any time, and from time to time, and as often as it may desire to do so during the full term of said option period, elect to acquire said oil and gas lease as to any part or all of the lands therein not previously acquired as hereinabove provided; Provided that each additional exercise of option or election to acquire said oil and gas lease as to any additional lands covered thereby shall be exercised in the manner and form and by the payment of the sum per acre as above provided for in the first exercise or election.

SECOND: In addition to the options as granted above, and for the same consideration Second Party shall at all times during the option period provided above, have the right to enter into, and commit all or any part of said lands with other lands to the terms and provisions of a Co-operative or Unit Plan or other agreement or agreements, which is acceptable to Second Party, providing for the operation and development of said lands as a single pool or area for oil and gas purposes and for the conservation of such minerals underlying said lands in accordance with the provisions of the Act of Congress approved February 25, 1920 (41 Stat. 437), as amended, or to enter into any other agreement or agreements of a similar nature, including the right in Second Party from time to time to modify, change or terminate any such plan or agreement. Said plan may designate Second Party or its nominee as the oil and gas operator of all lands embraced therein, including any part or all of the lands covered and embraced in said oil and gas lease hereinabove referred to. Second Party may exercise the rights granted under this paragraph by giving First Party notice in writing of its election to commit said lands or any part thereof to any said Co-operative or Unit Plan or other agreement or agreements and said notice or notices, as the case may be, shall describe the land or lands to be subjected thereto. The operator so designated shall be entitled to the exclusive right of possession of said lands embraced in said unit plan together with the full right and lawful authority to enter thereon for the purpose of drilling, mining, developing and operating said lands for oil and gas purposes and producing, treating, handling and marketing all and any such minerals produced therefrom, and as between the parties hereto, Second Party shall be the owner of all of said minerals produced therefrom or allocated thereto in accordance with any said plan or agreement, subject only to the payment of all royalties thereon to the United