

Whereas, on the 3rd day of August, 1927, the said Midvale Oil Corporation entered into an agreement in writing with one J. C. Theriot whereby the said Theriot agreed to explore for and produce oil or gas upon said land, and for that purpose, and in consideration thereof, the said Midvale Oil Corporation agreed to and did assign said drilling contract "Exhibit A" in so far as it applied to and affected the South half of the North half of the Southeast quarter and the North half of the Southwest quarter of said Section 8, said contract having been filed for record on November 19, 1928, and appearing of record at page 305 of book 2 of Miscellaneous Records in the office of the County Clerk and Ex-officio Register of Deeds of Sublette County, Wyoming, which said contract is by this reference made a part hereof, and which said contract and all rights of the said Theriot thereunder have, by mesne conveyances, passed to and are now held by Circle Oil and Gas Company, hereinafter referred to as Circle Company, and which said contract will hereafter be referred to, for brevity, as the Theriot contract; and

Whereas, on the 16th day of November, 1927, the said Midvale Corporation, by and instrument in writing, sold, transferred and assigned to Circle Oil & Gas Syndicate all of its right, title and interest in and to its permit, rights and interest thereunder in so far as it covers and includes the Southeast quarter of the Northeast quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) of said Section 8 aforesaid, all of which rights and interest so acquired therein by the said Circle Oil & Gas Syndicate are now owned and controlled by said Circle Company; and

Whereas, said Midvale Oil Corporation is desirous of acquiring said land and of relieving itself and said Fallis of the obligation of reserving to the said I. E. Willey the sixty acres of land referred to in said contract; and

Whereas, the said I. E. Willey is willing to and does, upon the conditions and for the considerations hereinafter named, assign said contract to the said Midvale Corporation, with the consent of said Garland P. Fallis, so that said land shall become subject to each and every of the provisions of the contract between the said D. O. Willey and the said Garland P. Fallis above referred to, as herein modified; and

Whereas, the said D. O. Willey is willing and hereby agrees that the said contract between the said Garland P. Fallis and I. E. Willey above referred to shall be assigned and all conditions and covenants therein assumed vacated, and said undescribed and undefined sixty acres so reserved again subjected to all the terms and conditions of said contract between the said D. O. Willey and the said Garland P. Fallis, as herein modified:

NOW, THEREFORE, in consideration of the release and discharge by the said I. E. Willey of all the obligations and covenants assumed and entered into by the said Garland P. Fallis in his contract with said I. E. Willey, and in consideration of the execution by the said I. E. Willey of an appropriate instrument in writing releasing and discharging the said Garland P. Fallis, his successors and assigns, of all obligations and covenants assumed and undertaken in said contract, the said Midvale Oil Corporation and the said D. O. Willey, each and both of them, do hereby mutually agree that said contract between ^{said} D. O. Willey and the said Garland P. Fallis so made a part hereof, may be modified and amended in the manner following, to-wit:

That of the oil and/or gas produced and saved, and sold on all that part of Section 8 not included within the description of the lands covered by the contracts of Midvale Oil Corporation with the said Theriot and Circle Oil and Gas Syndicate, respectively, there shall be and will be paid to the said D. O. Willey by the said Midvale Oil Corporation a royalty of 9%, instead of 7 $\frac{1}{2}$ % of the gross amount of all oil and/or gas produced and saved and sold from the lands on which a royalty of five per cent is, by the leasing act of 1920 required to be paid to the United States as its royalty, and a royalty of ten per cent, instead of five per cent, of all oil and/or gas produced and saved and sold from the land as to which, under said leasing act, a minimum royalty of twelve and one-half per cent is required to be paid to the United States as its royalty, it being expressly understood as to the royalties on oil and/or gas produced from land comprised in said Circle contract, and as to the other provisions contained in the contract between the said D. O. Willey and the said Garland P. Fallis, no change is intended or made, except, however, as follows: When and if the government of the United States offers for oil or gas lease said Class B or non-preference lands within said Section 8, said Midvale Oil Corporation covenants with the said D. O. Willey and his assigns that it will exercise and protect its preference rights to and will acquire leases upon said Class B. land. In the event that the said Midvale Oil Corporation, its successors or assigns, or any other person standing in the place of or representing the permittee under said permit shall fail or refuse to exercise and/or protect the preference rights of the permittee, then and in that event the said D. O. Willey and/or his successors or assigns shall have all the rights of a permittee under the laws of the United States and the appropriate rules and regulations of the Secretary of the Interior, and to procure and enter into an oil and/or gas lease with the government of the United States, and the lands as to which leases shall be so acquired shall be so acquired shall thereupon be taken out of the operation of said contract first mentioned herein.

Provided, however, that nothing herein contained shall be construed as limiting the right of the Midvale Oil Corporation to make such reallocations with the Circle Oil and Gas Company of the Class A and Class B lands heretofore designated in said Circle Oil and Gas Company contracts as it may see fit to do; provided, however, that there shall in no event be less than one hundred sixty acres of said Class A lands in said Section 8; and provided further that the total amount of lands to be held by the Circle Oil and Gas Company under its present royalties shall not exceed forty acres of Class A. lands and one hundred twenty acres of Class B lands, and in the event of such reallocation of such Class A and Class B lands to the Circle Oil and Gas Company the lands so reallocated shall be subject to the payment of royalties by the said Circle Oil and Gas Company and Midvale Oil Corporation, respectively, as if said reallocation had been made before the execution of this contract.

It is hereby further provided that in the event that the lands comprised in the Circle Oil and Gas Company Contracts, or any part thereof, shall revert to the said Midvale Oil Corporation, its successors or assigns, by forfeiture of its said contract or otherwise, the oil and gas produced, saved and sold therefrom shall be subject to the