

No. 18023

LEASE

Fred Beck, et ux

THE STATE OF WYOMING)
County of Sublette)This instrument was filed
for record at 9:00 o'clock
A. M. on the 8th day of
May, 1937, and duly recorded
in Book 1 of Oil and Gas
Leases, on Page 50.

To

Notice of Termination
Pl. 8 Mo. - P. 303

C. Ed. Lewis

C. C. FELTNER, County Clerk

Fees, \$3.95

By Lillian C. Rider, Deputy

THIS LEASE, made and entered into this First day of February, 1937, by and between Fred Beck and Helen E. Beck, of Big Piney, Sublette County, Wyoming, hereinafter called "Lessor" (whether one or more), and C. ED. LEWIS of the City and County of San Francisco, California, hereinafter called "LESSEE".

W I T N E S S E T H

That Lessor, for and in consideration of the sum of One Dollar (\$1.00), in hand well and truly paid by Lessee, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed, has granted, demise, leased and let, and by these presents does grant, demise, lease and let unto Lessee his successors or assigns exclusively, for the sole purpose of drilling, operating for, producing, extracting, treating, removing and marketing oil, gas, natural gasoline and other hydrocarbon substances therefrom, all that certain real property in the County of Sublette, State of Wyoming, described as follows, to-wit:

Lots Three (3) and Four (4), Southwest Quarter Northeast Quarter (SW $\frac{1}{4}$ NE $\frac{1}{4}$), South Half Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$), North Half Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$), Southeast Quarter Southwest Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$), Northwest Quarter Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$), Section Five (5); Lots One (1), Two (2), and Six (6), South Half Northeast Quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$), Northeast Quarter Southwest Quarter (NE $\frac{1}{4}$ SW $\frac{1}{4}$), Northwest Quarter Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$), Section Six (6); North Half Northwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$) Section Eight (8); Township Thirty (30) North Range One Hundred Twelve (112) West:: Southwest Quarter Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$) Section Thirty-two (32) Township Thirty-one (31) North, Range One Hundred Twelve (112) West of the Sixth (6th) Principal Meridian, Wyoming, containing 729.57 acres more or less,

together with the right to establish and maintain on said premises such tanks, boilers, houses, engines, and other apparatus and equipment, power lines, pipe lines, roads and other appurtenances which may be necessary or convenient (except refinery or gasoline compression plant), in the production, treatment, storage and/or transportation of any and all of said products from and on said property.

It is agreed that this lease shall remain in force for the term of eight (8) years from this date, and so long thereafter as oil and gas or either of them is produced therefrom by Lessee, his successors or assigns, in sufficient quantities deemed paying by Lessee.

In consideration of the premises, Lessee covenants and agrees:

(1) To pay to Lessor as royalty the equal one-eighth (1/8) part of the value of all oil produced and saved from the demised premises at the published purchase price paid to producers generally at the well in the district in which the premises are located for oil of like gravity on the day the oil is run into the pipe line or tank. Lessor shall have the option to exercise not oftener than once in any one calendar year, upon sixty (60) days previous written notice, to take his oil in kind, in which event Lessee shall furnish thirty (30) days free storage therefor.

(2) To pay to Lessor as royalty one-eighth (1/8) of the net proceeds derived from the sale of gas from said property while same is being sold or used off the premises.

(3) If casinghead gasoline is manufactured on the demised premises or elsewhere by Lessee from gas produced from said property, to pay Lessor one-eighth (1/8) of the proceeds from the sale of said gasoline less the entire cost of gathering, manufacturing, handling, and selling the same.

(4) To commence drilling operations on a test well at a location to be selected by Lessee at a point within five (5) miles of the exterior boundaries of the demised premises, on or before May 5th, 1937, and to prosecute said drilling with due diligence until said well has reached a depth of 6,000 feet unless oil or gas in commercial quantities is encountered at a lesser depth.

(5) To commence drilling operations on a second test well at a location to be selected by Lessee at a point within five (5) miles of the exterior boundaries of the demised premises, within three (3) months after the completion or abandonment of said first test well, providing oil or gas is not found in commercial quantities in said first test well, and to prosecute the drilling with due diligence until said well has reached a depth of 6,000 feet unless oil or gas in commercial quantities is encountered at a lesser depth.

(6) To commence drilling operations on succeeding test wells at a location to be selected by Lessee at a point within five (5) miles of the exterior boundaries of the demised premises, within three (3) months after the completion or abandonment of each preceding well, providing oil or gas is not found in commercial quantities in said preceding well, and to prosecute the drilling of each of said wells with due diligence until said well or wells have reached a depth of 6,000 feet unless oil or gas in commercial quantities is encountered at a lesser depth. And in lieu of the commencement of any succeeding well as hereinabove provided the Lessee may pay the Lessor at the State Bank of Big Piney one Dollar (\$1.00) per acre which shall operate as a rental for deferring drilling operations as hereinabove provided for a period of twelve months. In like manner and upon like payments or tenders the commencement of drilling operations as pertaining to succeeding wells, may be further deferred for like periods successively for a term of not to exceed three years from date hereof.