

Whenever a well producing oil and/or gas in such quantities as to make it a paying investment is drilled in upon adjoining property within 400 feet of the lands herein described, the second party shall within ninety (90) days after the completion of said well, commence and diligently drill a well to offset same.

IT IS MUTUALLY AGREED AND MADE A PART OF THIS CONTRACT that first party reserves the right and shall have the right of access by himself or representative appointed by first party to said premises and inspect all operations at all times.

IT IS ESPECIALLY AGREED and made a part of the consideration of this contract that upon failure of or by second party to commence the moving of equipment for the purpose of drilling said well and the failure to spud in said well on or before November 21, 1937, or failure to erect a rotary oil drilling rig on a location not to exceed one and one-half miles distant from some part of the lands covered by Permit No. 013494, then this lease and Agreement shall cease, terminate and be null and void.

First party shall be relieved from any liability of surface damage of this or adjacent property as a result of or occasioned by the drilling operations of second party, and all such damage shall be assumed and paid by second party.

First party agrees to a Unit Plan of Operation of which the said Permit would become a part with other Permits, and party of the first part agrees to cooperate with second party in securing approval of the Department of such Unit Plan and in securing necessary extension on said Permit.

IT IS EXPRESSLY AGREED that this agreement may be assigned in whole or in part by the second party without the written consent of first party but subject to the consent of the Secretary of the Interior, if his consent is necessary, and that each and all the covenants and agreement of either of the parties hereto shall inure to the benefit of and be obligatory upon the successors, heirs and assigns of said parties respectively.

WITNESS our hand and seals as of the first day and year first above written.

Witnessed E. I. Dexter

F. Salathe, Jr.

Witnessed E. I. Dexter

C. Ed. Lewis.

STATE OF CALIFORNIA  
)SS.  
COUNTY OF LOS ANGELES)

On this 21 day of September, A.D., 1937, before me, the undersigned, a Notary Public in and for said County and State, personally appeared F. SALATHE, JR., known to me to be the person whose name is subscribed to the within Instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission expires March 1, 1941.

June Eddy, Notary Public in and for said County and State.

(NOTARIAL SEAL)

STATE OF CALIFORNIA  
)SS.  
COUNTY OF LOS ANGELES)

On this 21 day of September, A.D., 1937, before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. ED. LEWIS, known to me to be the person whose name is subscribed to the within Instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission expires March 1, 1941.

June Eddy, Notary Public in and for said County and State.

(NOTARIAL SEAL)

No. 20431

OIL AND GAS LEASE

William J. McGinnis,  
et al

THE STATE OF WYOMING)  
)SS.  
County of Sublette)

This instrument was filed for record in my office at 11:00 o'clock A.M., on the 3rd day of August A.D., 1938, and duly recorded in Book 1 of Oil and Gas Leases, on page 187.

To

J. Gordon Morgan

Fees, \$3.25

C. C. FELTNER, County Clerk.

THIS AGREEMENT made and entered into this 14th day of July, 1938, by and between William J. McGinnis, Anderson L. McGinnis, Frank R. McGinnis, Mary H. McGinnis, and Miranda Yose of Sublette County, State of Wyoming, hereinafter called the lessor (whether one or more), whose Post Office address is LaBarge, Wyoming, and J. Gordon Morgan, hereinafter called lessee, whose Post Office address is Rawlins, Wyoming, WITNESSETH:

That said lessor for and in consideration of the sum of Ten and 0/100 Dollars in hand paid by the lessee, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be made, kept and performed, has granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the lessee, its successors and assigns, for the purpose of mining and operating for and producing oil, gas and other hydrocarbons and of laying pipe lines, constructing tanks, erecting buildings and other structures, and all other rights and privileges necessary, incident, or convenient for the economical operation of said lands, alone or co-jointly with neighboring lands, the following described premises situate in