exercises such option, it shall be subrogated to the rights of any holder of holders thereof and may reimburse itself by applying to the discharge of any such judgment, tax, mortgage or other lien, any royalty or rentals accruing hereunder. The lessee may become purchaser at any and all tax or foreclosure sales of the above lands. Lessor agrees to pay one-eighth (1/8) of all taxes of whatsoever kind or character now or hereafter levied by any duly constituted taxing authority upon the oil and gas produced from the premises hereinabove described, but the lessee shall have the right to pay such tax and to deduct the lessor's proportionate share thereof from any royalty payments accruing hereunder.

(9) It is agreed that the times for beginning or for performing any work or operaions under this lease shall be suspended or extended during such periods of time as such work or operations shall be delayed, interrupted or prevented by any cause of whatever kind or nature beyond the reasonable control of the lessee.

(10) Lessee may, at any time upon the payment of One Dollar ($1.00) to the lessor, surrender the whole or any part of the lands described in this lease by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the proper county, and thereupon all payments and liabilities and other obligations of the lessee hereunder shall cease as to the lands embraced in such release. All land leased shall remain subject to easements for rights of way necessary or convenient for lessee's operations on land retained by it.

(11) It is agreed that this lease shall not be terminated, forfeited or cancelled for failure by lessee to perform any of its implied covenants, conditions, or stipulations until it shall have been first finally and judicially determined that such failure or default exists, and thereupon lessee shall be given a reasonable time thereafter to correct any default so determined, or at lessee's election it may surrender the lease with option of reserving under the terms of this lease each producing well and ten (10) acres acres surrounding it as selected by lessee, together with the right of ingress and egress thereto. Lessee shall not be liable in damages for breach of any implied covenant or obligation.

(12) If lessee at any time shall include the lands covered by this lease in a unit or cooperative operating agreement, lessee shall have the right to include lessor's royalty interest in said agreement and thereupon said agreement shall exclusively control the drilling, operating and producing of said lands, anything to the contrary in this lease notwithstanding. If the lands or leases included in said agreement are to be drilled and operated as a unit and oil or gas shall be produced in paying quantities, then such part of said production allocated to this lease under said agreement shall be divided seven-eighths (7/8) to the/lessor, in lieu of the royalty payments provided by paragraph one hereof. Should production be found on any of the tracts covered by said agreement, this lease shall remain in force as long as oil, or gas is or can be produced from such tracts, or any of them. If this lease shall be unitized with other leases or tracts and if production shall be found on any of them, lessee's rental obligations hereunder shall cease. Any agreement made by lessee under this paragraph shall be in writing and lessee shall furnish lessor with a copy of the signed agreement.

(13) All exploratory and mining grants, or permits of every nature, including core-drilling, use of torsion-balance, magnetometer, seismograph, or other geophysical instruments for determining sub-surface conditions are herewith granted to lessee exclusively.

(14) This lease and all its terms, conditions, and stipulations, shall extend to and be binding upon all heirs, devisees, representatives, successors or assigns of said lessor or lessee.

WITNESS the following signatures and seals, the day and year first above written.

Signed, sealed and delivered
in the presence of:

Charles G. Jewett (SEAL)
(also known as C. G. Jewett)

Albert Larson

Lora E. Jewett (SEAL)
LESSOR

Albert Larson

J. Gordon Morgan
LESSEE

STATE OF WYOMING)
)SS.
County of Sublette)

On this 31st day of October, 1938, before me, Albert Larson, a Notary Public in the state and county aforesaid, personally appeared Charles G. Jewett, also known as C. G. Jewett and Lora E. Jewett, his wife, lessors, and J. Gordon Morgan, Lessee to me known to be the persons described in and who executed the foregoing instrument, and whose names are subscribed thereto, and acknowledged to me that they executed, signed, sealed and delivered said instrument as their free and voluntary act and deed for the uses and purposes therein set forth, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.

Albert Larson, Notary Public.

My Commission expires
March 24th, 1940

Residing at Big Piney, Wyoming

(NOTARIAL SEAL)

/lessee and one-eighth (1/8) to the