

No. 22258

OIL AND GAS LEASE

WYOMING 1223

James F. Mickelson, et ux
To
J. Gordon Morgan
Fees, \$3.25

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

This instrument was filed for record in my office at 2:00 o'clock P.M. on the 22nd day of May A.D. 1939 and duly recorded in Book 1 of Oil and Gas Leases, on page 253.

*Released: Bk. 6 of Miscellaneous,
on page 332.*

Faren C. Falter, County Clerk.

THIS AGREEMENT made and entered into this 17th day of December, 1938, by and between James F. Mickelson and also known as James Francis Mickelson and J. F. Mickelson and Mae E. Mickelson, his wife, of Sublette County, State of Wyoming, hereinafter called the lessor (whether one or more), whose Post Office address is Big Piney, 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 (\$10.00) 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 Township 30 & 32 -North. Range 111 & 112 & 113 & 114-W., County of Sublette, State of Wyoming, to wit:

The SE $\frac{1}{4}$ NE $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9; The S $\frac{1}{2}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ of Section 10; The SW $\frac{1}{4}$ SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 11; The SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 12; The W $\frac{1}{2}$ NE $\frac{1}{4}$, and NW $\frac{1}{4}$ of Section 13; The W $\frac{1}{2}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ NE $\frac{1}{4}$, and S $\frac{1}{2}$ of Section 14; The E $\frac{1}{2}$, and E $\frac{1}{2}$ W $\frac{1}{2}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 15; The NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21; The N $\frac{1}{2}$ N $\frac{1}{2}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 22; The NW $\frac{1}{4}$, and N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 23; The E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 24, in Township 30 North, Range 112-West of the 6th P.M.; The NE $\frac{1}{4}$, and E $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 7; The N $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 8; The NW $\frac{1}{4}$ of Section 17; The W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 18; in Township 32-North, Range 113-West of the 6th P.M.; The NE $\frac{1}{4}$ NE $\frac{1}{4}$, and S $\frac{1}{2}$ NE $\frac{1}{4}$, and N $\frac{1}{2}$ S $\frac{1}{2}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 11; The NW $\frac{1}{4}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 12; The N $\frac{1}{2}$ N $\frac{1}{2}$, and SE $\frac{1}{4}$ NE $\frac{1}{4}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13; The NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 14, in Township 32-North, Range 114-West of the 6th P.M.; Lots 1, 2, and 3 and 4, and E $\frac{1}{2}$ W $\frac{1}{2}$, and S $\frac{1}{2}$ NE $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19, in Township 30-North, Range 111-West of the 6th, P.M.

containing 4880 acres, more or less, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State. The lessor further grants unto the lessee, its successors and assigns, the exclusive right to occupy so much of the surface of the above described lands as shall be necessary to successfully carry on the operations and fulfill the purposes of this lease.

The lessor agrees that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas is or can be produced from said lands by the lessee as hereinafter provided, and that the consideration above stated is a good and sufficient consideration for each and every agreement contained herein and for the rights and privileges granted to the lessee herein, its successors or assigns.

In consideration of the premises, it is agreed that:

(1) The lessee shall pay to the lessor the proceeds from one-eighth (1/8) of all the oil and gas produced and sold from the leased premises at the prevailing market price therefor at the wells.

(2) If operations for the drilling of a well for oil or gas are not commenced on said lands on or before one year from the date hereof this lease shall terminate as to both parties, unless the lessee shall on or before one year from the date hereof pay or tender to the lessor or for the lessor's credit in the State Bank of Big Piney at Big Piney, Wyoming, or its successors, which bank, or its successors, shall be the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said lands or in the oil and gas, or in the rentals to accrue thereunder, the sum of twenty-five cents (25¢) per acre which shall operate as rental and cover the privilege of deferring the commencement of drilling operations for the further period of one (1) year. In like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for like periods successively. All payments or tenders may be made by check of lessee, or any assignee thereof, mailed to the post office address of the lessor as hereinabove set forth or delivered on or before the rental paying period. Provided, however, the lessee shall be granted a thirty (30) day grace period within which to make such payments and this lease shall not be forfeited if such payments are made within said thirty (30) day grace period after the time for payment as provided in this paragraph. If at any time more than six persons shall be entitled to participate in the rentals or royalties hereunder, lessee at his election may pay all rentals and royalties thereafter accruing to the credit of this lease in the depository bank last designated by lessor as herein provided, or lessee may withhold payment unless and until all parties shall designate, in a recordable instrument to be filed with the lessee, a common agent or trustee to receive all payments hereunder, and to execute and deliver rental receipts, division orders and/or transfer orders on behalf of said parties and their respective successors in title.

(3) If during the fixed term of this lease prior to obtaining production lessee shall drill a dry hole, or if production shall cease, the lease shall not terminate provided lessee, on or before the next ensuing rental date, shall commence operations for