

24. Lessee at its option may pay and discharge any liens which may now or hereafter attach to the land herein demised, and pay and discharge any mortgages, trust deeds, or encumbrances of any kind or nature existing on or against the land herein demised, in which event Lessee shall be subrogated to the rights of the holder or holders thereof, and may, in addition thereto, at its option, reimburse itself by applying to the amount owing to it any royalties, rentals or other sums accruing to the Lessor under the terms and conditions of this lease.

25. Upon the expiration of this lease, or its sooner termination in whole or in part, the Lessee shall surrender possession of the terminated portion of the premises to the Lessor, and shall deliver to the Lessor a good and sufficient quitclaim deed or release. Within six (6) months after such expiration or termination, Lessee shall (subject to the rights and privileges granted the Lessee and to other provisions of this lease) remove from such premises so terminated all of its rigs, machinery and other property, and shall, so far as possible, fill all sump holes and other excavations made by Lessee.

26. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is hereby expressly granted, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written notice of transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall default in the performance of any covenant of this lease as applied to such portion so assigned such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands retained by the said Lessee or any assignee thereof upon which there is no default.

27. It is mutually agreed and understood that the terms and conditions, covenants and warranties herein expressed constitute the complete agreement of the parties hereto, and that there are no terms, conditions, covenants and/or warranties, either expressed and/or implied, other than those in this said indenture of lease contained.

28. Diversified ownership of divers parcels of land notwithstanding, it is understood and agreed that the herein leased premises shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be paid as provided in Paragraph 13 hereof for division among such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage, or as their rights and interests appear in Lessor's instructions to said depository.

29. Of production taxes charged and levied against production of oil and gas from said lands, each party hereto shall pay his proportionate part thereof, based on the ownership of such part as herein provided; and lessee shall pay to the proper tax collector the portion of such tax chargeable to lessor and shall deduct the same from any amount payable to lessor.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first hereinabove written.

Witness C P Budd Signature

Charles P. Budd

W. D. Williams

Carl P. Larson

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

On this 21st day of October, 1939, before me personally appeared Charles P. Budd and Carl P. Larson to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed, 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.

My Commission expires
 April 22nd, 1942.

Geo. A. Moffat, Notary Public.
 Residing at Big Piney, Wyoming

(NOTARIAL SEAL)

No. 23697

OIL AND GAS LEASE

Charles P. Budd

THE STATE OF WYOMING)

This instrument was filed for record in my office at 11:00 o'clock A.M., on the 10th day of November A.D. 1939, and duly recorded in Book I of Oil and Gas Leases on page 334.

To

County of Sublette)

Clifford Colton

Fees, \$4.85

Faren C. Faler, County Clerk.

THIS INDENTURE OF LEASE, made and entered into this 27th day of October, 1939, by and between Charles P. Budd, a single man, hereinafter called the Lessor (whether one or more), and Clifford Colton, 1644½ Echo Park Avenue, Los Angeles, California, hereinafter called the Lessee,

WITNESSETH:

THAT THE LESSOR, for and in consideration of One Dollar to him in hand paid, the receipt whereof is hereby acknowledged, leases and demises to the Lessee all those certain pieces or parcels of land situated in the County of Sublette, State of Wyoming and more particularly described as follows, to-wit:

Northeast Quarter (NE¼) of the Southwest Quarter (SW¼) of Section Twenty-four (24), Township Thirty (30) North, Range One Hundred Fourteen (114) West of the Sixth Principal Meridian, containing forty (40) acres more or less according to government survey in the State of Wyoming.