(10) Lessee may, at any time upon thepayment 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 perfrom any of his 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 he may surrender the lease with option of reserving under the terms of this lease each producing well and ten (10) 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 lessee and one-eighth (1/8) 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, gas, casinghead gas, casinghead gasoline, or any of them, 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:

Elba W. McNinch (SEAL)

Lois C. McNinch (SEAL)
LESSOR

Geo. A. Moffat

Geo. A. Moffat

J. Gordon Morgan (SEAL)
LESSEE

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

On this 31 day of January, 1940, before me personally appeared Elba W. McNinch and Louis C McNinch, husband and wife, lessors and J. Gordan Morgan, lessee 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 acknowedging the said instrument.

My Commission expires
April 22, 1942.

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

(NOTARIAL SEAL)

$0.50 U. S. DOCUMENTARY STAMP cancelled 3/15/40 O.O.Co.

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