

Given under my hand and notarial seal this 1st day of July, A.D. 1940.

My commission expires on the
24th day of March, A.D. 1944.

Albert Larson, Notary Public.

(NOTARIAL SEAL)

No. 26498

OIL AND GAS LEASE

Charles P. Budd

THE STATE OF WYOMING)

)SS.

County of Sublette)

To

This instrument was filed for record
in my office at 4:45 o'clock P. M.,
on the 18th day of September A. D.,
1940 and duly recorded in Book 1
of Oil and Gas Leases on Page 356.

Ella B. Newlon

Faren C. Faler, County Clerk

Fees, \$3.65

THIS AGREEMENT, dated the 18th day of September, 1940, between Charles P. Budd and party of the first part, herein styled "Lessor", and Ella B. Newlon party of the second part, herein styled "Lessee",

W I T N E S S E T H:

1. For and in consideration of the sum of Ten Dollars (\$10.00), lawful money of the United States of America, to the Lessor paid, and of other valuable considerations, the receipt of all of which is hereby acknowledged, and in consideration of the performance by the Lessee of the covenants and agreements hereinafter contained, the Lessor has leased, let and demised, and by these presents does lease, let and demise unto said Lessee, his heirs, executors, administrators and assigns, the land hereinafter described, with the sole and exclusive right to the Lessee to drill for, produce and extract and take oil, gas, asphaltum and other hydrocarbons (and water for operations hereunder) from, and store the same upon, said land during the term hereinafter provided, with the right of entry thereon at all times for said purposes, and with the right to construct, use, maintain, erect, repair, replace and remove thereon and therefrom all pipe lines, telephone and telegraph lines, tanks, machinery, buildings and other structures which the Lessee may desire in carrying on his business and operations on said land, with the further right of the Lessee, her heirs, executors, administrators and assigns and the subsidiary of any corporation that may succeed to the rights of the Lessee hereunder, to erect, maintain, operate and remove a refinery and/or a plant, with all necessary appurtenances, for the extraction of gasoline from gas and oil produced from said land and/or other premises in the vicinity of said land, including all rights necessary or convenient thereto, together with rights of way for passage over and upon and across, and ingress and egress to and from said land, for any or all of the above purposes.

2. The possession by the Lessee of said land shall be sole and exclusive, excepting only that the Lessor reserves the right to occupy said land or to lease the same for agricultural, horticultural, or grazing uses, which uses shall be carried on subject to, and with no interference with, the rights or operations of the Lessee hereunder. The said land which is the subject of this lease is situated in the County of Sublette, State of Wyoming, and is more particularly described as follows:

Notheast Quarter, (NE $\frac{1}{4}$), Section 9, North Half (NH $\frac{1}{2}$) of Northwest Quarter, (NW $\frac{1}{4}$), North Half (N $\frac{1}{2}$), of the Northeast Quarter, (NE $\frac{1}{4}$), the Southeast Quarter, (SE $\frac{1}{4}$), of the Northwest Quarter, (NW $\frac{1}{4}$), the Southwest Quarter, (SW $\frac{1}{4}$), of the Northeast Quarter, (NE $\frac{1}{4}$), of Section Ten, (10), Township 29, North Range 113 West 6th Principal Meridian, containing 400 acres more or less according to the government survey, in Sublette County, Wyoming.

3. The Lessee shall hold said land, with the appurtenances, for the period of five years from the date hereof, and, unless surrendered or forfeited by the Lessee, as long thereafter as the Lessee in good faith shall conduct drilling operations thereon as herein provided and as long as oil, gas, asphaltum or other hydrocarbons are produced therefrom, in quantities deemed paying by the Lessee, and the Lessee hereby leases from the Lessor the above described land for the purposes and term aforesaid, and upon the conditions and considerations and with the rights herein set forth.

4. Drilling operations within the meaning hereof, actual drilling, the testing of wells to ascertain production, the making of repairs, removing obstructions from wells, shutting off water.

5. The Lessee agrees to commence drilling operations on said land within Seven months from the date hereof, unless the Lessee is sooner obligated to commence the drilling of an offset well on said land as herein provided, and to prosecute such drilling with reasonable diligence until oil is found in quantities deemed paying quantities by the Lessee, or to a depth at which further drilling would, in the judgment of the Lessee, be unprofitable, or he may at any time within said period terminate this lease and surrender said land as hereinafter provided. No implied covenants shall be read into this lease requiring the Lessee to drill or to continue drilling on said land, or fixing the measure of diligence therefor. If the Lessee shall elect not to commence or prosecute drilling of a well on said land, as above provided, this lease shall terminate.

6. Upon such termination of this lease, and appropriate instrument of surrender shall be executed and delivered to the Lessor or the agent of the Lessor, hereinafter designated, and the Lessee shall quit said land and shall thereafter be relieved of all further obligation hereunder.

7. Should the Lessee elect to commence the drilling of a well on said land, as aforesaid, if oil should not be obtained in such paying quantities in the first well drilled, the Lessee shall, as a condition of the continuation of any of the rights given to him hereunder, within one hundred eighty (180) days after the completion or abandonment of said first well, commence upon said land the drilling of a second well, and