

12. Lessee shall have the right to utilize, pool, or combine all or any part of the above described lands with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval to conform to the terms, conditions, and provisions of this lease shall be deemed modified to development requirements of this lease, expressed or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall for the purpose of computing the royalties to be paid hereunder to lessor, be regarded as having been produced from the particular tract of land to which it is allocated. Lessor shall formally express lessor's consent to any royalty payments to be made hereunder to lessor shall be based upon production only as so allocated. Lessor shall formally express lessor's consent to any cooperative or unit plan of development or operation adopted by lessee and approved by any governmental agency by executing the same upon request of lessee.

13. In the interest of conservation, the protection of reservoir pressures and the recovery of the greatest ultimate yield of oil, gas and other mineral, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgage, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any taxes, mortgage, or other liens existing, levied, or assessed on or against the above described lands and in event it exercises such rights, it shall be subrogated to the rights of such holder or holders thereof and may reimburse itself by applying to the discharge of such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

15. All rental payments which may fall due under this lease may be made to Herbert W. Springstead one of the above named lessors, in the manner herein stated.

16. If within the primary term of this lease production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

17. It is agreed that this lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable time therefrom to comply with any such covenants, conditions, or stipulations.

18. All express and implied covenants of this lease shall be subject to all federal and state laws, executive orders, rules and regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply therewith if compliance is prevented by or failure is the result of inability of lessee through no fault of its own to obtain sufficient and satisfactory material and equipment to justify the commencement of drilling operations or to continue production of oil or gas from the leased premises.

19. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

20. With respect to and for the purposes of this lease lessor, and each of them if there be more than one, hereby release waive the right of homestead.

WHEREOF witness our hand as of the day and year first above written.

Faren C. Faler

Herbert W. Springsted

STATE OF WYOMING)
County of Sublette) }SS.

On this 25th day of April, 1944, before me personally appeared Herbert W. Springstead to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Given under my hand and seal this 25th day of April, 1944.

My Term Expires
January 6th, 1947.

Faren C. Faler, County Clerk
Sublette County, Wyoming

(COUNTY CLERK SEAL)