

No. 31739

OIL AND GAS LEASE

Herbert W. Springstead, et al THE STATE OF WYOMING)
 To County of Sublette)
 W. L. Christiana
 Fees, \$3.75

SS. This instrument was filed for record in my office at 1:00 P. M. on the 8th day of May A. D., 1944 and duly recorded in Book 1 of Oil and Gas leases on page 377. /o'clock

Faren C. Faler, County Clerk.

By Helen Atwood, Deputy.

For Release of this Lease See Bk. 2 of Oil & Gas page 628.

AGREEMENT, Made and entered into this 25th day of April, 1944, by and between Herbert W. Springstead, a single man, Ray R. Springstead and Lillian Springstead, Husband and Wife, of Boulder, Wyoming, party of the first part, hereinafter called lessor, (whether one or more) and W. L. Christiana of Denver, Colorado, party of the second part, lessee.

WITNESSETH: That the lessor for and in consideration of Ten and No/100 Dollars, in hand paid, receipt of which is hereby acknowledged, of the royalties herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, casinghead gas, and all other minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Sublette County, State of Wyoming, to-wit:

Lots (1), (2), (3), (5), (6), (7), (8), and (9), and (SW $\frac{1}{4}$ NE $\frac{1}{4}$) AND (SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section Five (5); Lot (13) of Section Five (5); Lots (10) and (11) of Section Six (6); (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section Eight (8) of Township (31) North of Range (108) West of the 6th P. M. The SE $\frac{1}{4}$ of Section (32) of Township (32) North of Range (108) West of the 6th P.M. Containing 646 acres, more or less.

TO HAVE AND TO HOLD the same (subject to the other provisions herein contained) for a term of ten years from this date (called "primary Term") and as long thereafter as oil or gas or casinghead gas or either or any of them, is produced therefrom; or as much longer thereafter as the lessee in good faith shall conduct drilling operations thereon and should production result from such operations, this lease shall remain in full force and effect as long as oil or gas or casinghead gas, shall be produced therefrom.

In consideration of the premises it is hereby mutually agreed as follows:

1. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks.
2. The lessee shall pay lessor, as royalty, one-eighth (1/8) of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found, and where not used or sold shall pay Fifty (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a producing well. The lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and expense.
3. To pay lessor for gas produced from any oil well, and used off the premises or in the manufacturing of gasoline or any other product a royalty of one-eighth (1/8) of the market value, at the mouth of the well, payable monthly at the prevailing market price.
4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from this date, this lease shall terminate as to both parties, unless the lessee shall, on or before one year from this date, pay or tender to the lessor or for the lessor's credit in The North Side State Bank at Rock Springs, Wyoming or its successor or successors, which bank and its successors are lessor's agents and which shall continue as the depository regardless of changes in the ownership of the land, the sum of One Hundred Sixty One and 50/100 (\$161.50) Dollars which shall operate as a rental and cover the privilege of deferring the commencement of operations for the drilling of a well one year from said date. In like manner and upon like payments or tenders the commencement of operations for the drilling of a well may be further deferred for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such persons.
5. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount above herein provided; and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.