

consideration therein expressed and that she did not wish to retract it.

Given under my hand and seal of office this the 28th day of July A. D., 1944.

My commission expires May 10, 1948

Albert Larson, Notary Public in and for Sublette County, Wyo.

(NOTARIAL SEAL)

No. 31994

OIL, GAS AND MINERAL LEASE

Frank D. Ball, Jr., et ux THE STATE OF WYOMING)
To County of Sublette) SS.

This instrument was filed for record in my office at 11:00 o'clock A.M. on the 10th day of August A.D. 1944 and duly recorded in Book 1 of Oil and Gas Leases on page 429.

H. H. Howell

Helen Atwood, County Clerk

Fees, \$3.25

THIS AGREEMENT made this 1st day of August 1943, between Frank D. Ball, Jr. and wife Sue Ball his wife Lessor (whether one or more), and H. H. Howell Lessee, WITNESSETH:

1. Lessor in consideration of One Dollars (\$1.00), in hand paid, of the royalties herein provided, and of the agreement 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 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, Wyoming, to-wit:

SW 1/4 of NE 1/4, S 1/2 of NW 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4, and SW 1/4 of Section 28; SE 1/4 of NE 1/4 of SE 1/4, SE 1/4 of SE 1/4, of Section 29; NW 1/4 of NE 1/4, NW 1/4 of Section 33; NE 1/4 of NE 1/4, S 1/2 of NE 1/4, S 1/2 of NW 1/4, N 1/2 of SE 1/4, and N 1/2 of SW 1/4 Section 32, all in Township 33 North, Range 112 West, 6 P. M.

This lease covers all of the land described above, and for the purpose of calculating the payments hereinafter provided for, the land included within the terms of this lease is estimated to comprise 1040 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of 10 years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land hereunder, or drilling or reworking operations are conducted thereon.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; where gas from a well producing gas only is not sold or used, Lessee may pay as royalty \$100.00 per well per year and if such payment is made it will be considered that gas is being produced within the meaning of Paragraph 2 hereof; and (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (50c) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. Lessor shall have the privilege at his risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operations hereunder.

4. If operations for drilling are not commenced on said land on or before one year from this date the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender to Lessor or to the credit of Lessor in State Bank of Big Piney at Big Piney, Wyoming, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals either by conveyance or by the death or incapacity of Lessor) the sum of 25¢ per acre Dollars (\$260.00), (herein called rental, which shall cover the privilege of deferring commencement of operations for drilling for a period of twelve (12) months. In like manner and upon like payments or tenders annually the commencement of operations for drilling may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental may be made by the check or draft of Lessee delivered to Lessor or to said bank on or before such date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument, naming another bank as agent to receive such payments or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to Lessor or to the depository above named 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 hereby is reduced by said release or releases.

5. Should any well drilled on the above described land during the primary term before production is obtained be a dry hole, or should production be obtained during the primary term and thereafter cease, then and in either event, if operations for drilling an additional well are not commenced or operations for reworking an old well are not pursued on said land on or before the first rental paying date next succeeding the cessation of production or drilling or reworking on said well or wells, then this lease shall terminate unless Lessee, on or before said date, shall resume the payment of rentals.