

prudent operator would drill under the same or similar circumstances. After the discovery of oil, gas or other mineral in paying quantities on the land embraced by this lease, Lessee shall reasonably develop the acreage retained hereunder, but in discharging this obligation, Lessee shall in no event be required to drill more than one well per 40 acres where oil is produced or one well per 640 acres where gas only is produced, of the area retained hereunder and capable of producing oil, gas or other mineral in paying quantities.

6. After production Lessee shall have the right without Lessor's consent to surrender all or any portion of the leased premises and be releived of all obligations as to the acreage surrendered. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below plow depth, and no well shall be drilled within 200 feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee. No change in the ownership of the land, or any interest therein, shall be binding on Lessee until Lessee shall be furnished with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance, or sale of said rights. In event of the assignment of this lease by Lessee, in whole or part, Lessee shall be releived of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

8. All expressed or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not terminate in whole or part nor Lessee be held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply any royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, Their heirs, Administrators, Successors, and Assigns.

IN WITNE SS WHEREOF, this instrument is executed on the date first above written.

Witnesses:

J. E. Hillier

J. E. Hillier

J. E. Hillier

Charles P. Noble

Francis Noble

Lessor

H. H. Howell

Lessee

THE STATE OF WYOMING)
County of Sublette) SS.

On this 31st day of October, 1942, before me personally appeared Charles P. Noble, Francis Noble and H. H. Howell 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.

Given under my hand and notarial seal this 31st day of October, A. D. 1942.

My commission expires on the
22nd day of April, A. D. 1946.

Geo. A. Moffat, Notary Public

(NOTARIAL SEAL)

No. 33418

OIL AND GAS MINING LEASE

Earl L. Payne, et ux

THE STATE OF WYOMING)
County of Sublette) SS.

To

Otis Phillips

Fees, \$3.25

*Red. Bk. 2 - Oil & Gas Leases
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#40701*

This instrument was filed for record in my office at 11:00 o'clock A.M. on the 10th day of December A.D. 1945 and duly recorded in Book 2 of Oil and Gas Leases on Page 44.

Helen Atwood, County Clerk.

THIS AGREEMENT, Entered into this the 10th day of September, 1945, between Earl L. Payne and Wilma Payne, his wife, of Blue River, Oregon hereinafter called lessor, and Otis Phillips, 1032 Milam Bldg. San Antonio, Texas hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted and leased and hereby grants, leases and lets unto the lessee for the purpose of mining and operating for and producing oil and gas, casinghead gas and casinghead gasoline, laying pipe line, building tanks, storing oil, building powers, stations, telephone lines and other structures thereon to produce, save, take care of and manufacture all of such substances, and for housing and boarding employees, the following described tract of land in Sublette County, Wyoming, to-wit:

S1NE1, SE1, Section 27; N1NE1, Section 34; T. 35 N. R. 111 West,

and containing 320 acres, more or less, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of Wyoming.