

GULF T 945-H (PRODUCERS)

OIL



D-6943

54171

AGREEMENT, Made and entered into this 24th day of April, 1951
by and between James Jorgensen and Dorthean Jorgensen, Husband & Wife, of Pinedale, Wyoming

Party of the first part, hereinafter called lessor (whether one or more) and
Lee A. Adams, of Oklahoma City 2, Oklahoma Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten and more DOLLARS cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased, and let by these presents does grant, demise, lease and let unto the said lessee, its successors and assigns for the sole and only purposes of surveying by geological, geophysical and all other methods, mining and operating for oil and gas, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of said products,

all that certain tract of land, together with any reversionary rights therein, situate in the County of Sublette, State of Wyoming, described as follows, to-wit:

TOWNSHIP 34 NORTH, RANGE 113 WEST

TOWNSHIP 34 NORTH, RANGE 113 WEST (Cont'd)

Section 1, SW/4

Section 14, NE/4

Section 11, E/2, & N/2 of SW/4

Section 12, W/2

Section 13, NW/4 & NE/4 of SW/4

of Section _____ Township _____ Range _____ and containing 1240 acres, more or less.

It is agreed that this lease shall remain in force for a term of Ten (10) years from date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee, its successors and assigns.

In consideration of the premises the said lessee covenants and agrees:

First. The lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or, at lessee's option, may buy or sell such one-eighth royalty and pay lessor the market price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipe lines or into storage tanks.

Second. To pay lessor one-eighth (1/8) of the market value at the well for gas from each well where gas only is found and used off the premises, and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on such land during the same time by making his own connections with the well at his own risk and expense.

Third. To pay lessor one-eighth (1/8) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas.

If no well be commenced on said land on or before the 24th day of April, 1952, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the _____

Rock Springs National Bank Bank at Rock Springs, Wyoming
or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of the said land, the sum of

Twelve Hundred and Forty and 00/100- DOLLARS,
which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. 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. Delay rentals and tenders and all other payments or tenders herein authorized or required may be made in currency, by check or draft of lessee payable to lessor by depositing such currency, check or draft in any postoffice on or before the due date, in an envelope with sufficient postage thereon, addressed to lessor or the depository bank. 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 person.

Should any well drilled on the land above described be a dry hole or cease to produce and there are no other producing well or wells on the land or drilling operations are not being conducted thereon, then and in that event if a well is not commenced before the next rental paying date this lease shall terminate as to both parties, unless the lessee on or before the next rental paying date shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided, and it is agreed upon the resumption of the payment of rentals, as above provided, the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payment.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations to growing crops on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rentals. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State legislative authority, or with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, forfeiture, reversion or reversion of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the basis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lessee or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith.

Lessee may at any time surrender this lease, in whole or in part, by delivering or mailing a release to the lessor, or by placing a release of record in the proper county.

Lessor hereby releases and relinquishes any right of homestead, dower or curtesy they or either of them may have in or to the leased land.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

In the event of production on adjacent land within 660 feet of this lease, then a well must be commenced within 90 days.

IN WITNESS WHEREOF, We sign the day and year first above written.

Lee A. Adams (SEAL)

James Jorgensen (SEAL)

James Jorgensen (SEAL)

James Jorgensen (SEAL)

Dorthean Jorgensen (SEAL)

Dorthean Jorgensen (SEAL)

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Rec. Stamp Cancelled: J.E.W. 6/14/51