

## OIL, GAS AND MINERAL LEASE

Ariz., Colo., Iowa, Kan., Minn., Mo.,  
Mont., Neb., N.D., S.D., Utah, Wyo.

THIS AGREEMENT, made and entered into as of the 10th day of April, 1951, at 6:00 P.M.

Fay A. Miller and Joseph S. Miller, her husband  
Box 145 Diamondville, Wyominghereinafter called "Lessor" (whether one or more) and  
J. R. Williams

hereinafter called "Lessee," WITNESSETH:

1. Lessor, for and in consideration of the sum of Ten and No/100 DOLLARS (\$ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, demises, leases and lets exclusively unto Lessee the land hereinafter described, for the purpose of investigating, exploring, drilling and mining for, producing, saving, taking, owning, transporting, storing, handling and treating oil, gas and all other minerals, whether similar or dissimilar, together with all rights, privileges and easements useful for Lessee's operations hereunder on said land and on lands in the same field, including but not limited to the following rights: to lay pipe lines; to build roads; and to construct tanks, pump and power stations, power and communication lines, houses for its employees, and other structures and facilities. The said land included in this lease is situated in the County of Sublette, State of Wyoming, and is described as follows, to-wit:

An undivided one-fourth (1/4th) interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands:

In Township 28 North, Range 114 West, 6th. P.M.

Section 13: SW $\frac{1}{4}$  NW $\frac{1}{4}$   
Section 14: W $\frac{1}{2}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$

including all minerals underlying lakes, streams, roads, easements and rights-of-way which traverse or adjoin said land; and including all lands owned or claimed by Lessor as a part of any tract above described; and containing 160 acres of land, more or less, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of this state. This lease shall cover all the interest in said land now owned by or hereafter vested in Lessor, even though greater than the undivided interest (if any) described above. For the purpose of calculating any payments based on acreage, Lessee, at Lessee's option, may act as if said land and its constituent parcels contain the acreage above stated, whether they actually contain more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a period of ten (10) years from the date hereof, called "primary term," and thereafter so long as oil, gas or other mineral, or any one or more of them, is produced from said land hereunder, or Lessee is engaged in drilling, mining or reworking operations on said land hereunder.

3. Royalties to be paid by Lessee are: (a) on oil, one-eighth (1/8) of that produced and saved from said land, 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, paying therefor the market value in the field where produced on the day it is run to the pipe line or storage tanks; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used, the market value at the well of one-eighth (1/8) of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth (1/8) of the amount realized from such sales; (c) on sulphur, one dollar (\$1.00) per long ton mined and marketed; (d) on all other minerals mined and marketed, one-eighth (1/8) of their value at the well or mine. If Lessee shall discover gas hereunder on said land or on land unitized with any of said land, Lessee may at any time or times during or after the primary term and at Lessee's election, pay Lessor as royalty a sum equal to the rental hereinafter provided on the acreage then held by Lessee hereunder. Whereupon it shall be considered for all purposes of this lease that gas is being produced hereunder from said land for a period of one year; such year to commence on the anniversary of this lease next preceding such payment, unless the rental, if any, which accrued on such anniversary was paid, in which event such year shall commence on the anniversary of this lease next following such payment. Any such payment may be made in the same manner as provided elsewhere in this lease for the payment of rental, and shall be in lieu of the rental covering the same period of time; but shall not be in lieu of any royalty based on actual production. Lessee may use, free of royalty, oil, gas, coal and water developed from said land by Lessee, for all operations hereunder.

4. If drilling or mining operations are not commenced on said land on or before twelve months from this date, this lease shall terminate as to both parties unless Lessee, on or before the expiration of said period, shall pay or tender to Lessor or to Lessor's credit in

The First National Bank Bank at Kemmerer, Wyoming

Four Hundred and No/100 DOLLARS (\$ 400.00) or any successor, the sum of which shall extend for twelve (12) months the time within which such operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, all of which are herein called "rentals," this lease may be maintained in force and such operations again deferred for successive periods of twelve months each during the primary term; provided, however, that if any oil, gas or other mineral shall be produced hereunder, or any drilling, mining or reworking operations conducted hereunder, within a period of time three (3) months prior to any anniversary of this lease during the primary term, the rental accruing on such anniversary shall be excused and this lease shall continue in force as though such rental had been paid. Such operations shall be deemed to be commenced when the first material is moved in or the first work done. The down cash payment is consideration for this lease according to its terms, and shall not be allocated as a mere rental for a period. Payments or tenders of rental may be made by mailing or delivering cash or Lessee's check or draft to Lessor or to any depository bank on or before such date of payment. If any depository bank shall fail or refuse to accept rental, this lease shall not terminate, nor Lessee be held in default for failure to pay rental, unless Lessee shall fail to pay such rental for thirty (30) days after Lessor has delivered to Lessee a recordable instrument designating another depository bank. Any bank herein or hereafter designated as depository shall continue as such and as Lessor's agent, regardless of changes in ownership of Lessor's interest. Lessee may pay or tender rental jointly to the credit of all parties having any interest hereunder. If Lessee shall, in good faith and with reasonable diligence, attempt to pay any rental but shall fail to pay, or incorrectly pay some portion thereof, this lease shall not terminate unless Lessee, within thirty (30) days after written notice of its error or failure, shall fail to rectify the same. Lessee may at any time or times surrender this lease as to all or any portion of said land by mailing or tendering to Lessor or to the depository bank or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered, and thereafter the rental shall be reduced in the same proportion that the acreage covered hereby is reduced.

5. If at any time or times after the primary term or within three (3) months before expiration of the primary term, all operations and all production hereunder shall cease for any cause, this lease shall not terminate if Lessee shall commence or resume drilling, mining or reworking operations or the production of any mineral within three (3) months after such cessation.

6. Lessee shall pay for damages caused by Lessee's operations to growing crops, buildings, irrigation ditches, feed lots and fences. When required by the surface owner, Lessee will bury pipe lines below ordinary plow depth when crossing cultivated land. No well shall be drilled within two hundred (200) feet of any residence or barn now on said land without the consent of the surface owner. Lessee shall have the right at any time to remove all Lessee's property and fixtures, including the right to draw and remove all casing. Lessee shall drill any well which a reasonably prudent operator would drill under the same or similar circumstances to prevent substantial drainage from said land by wells located on adjoining land not owned by Lessor, when such drainage is not compensated by counter drainage. No default of Lessee hereunder with respect to any well, mine or portion of said land shall impair Lessee's rights with respect to any other well, mine or portion of said land. Lessee may inject water, gas or other substances into any zone or stratum underlying said land and not productive of fresh water.

7. The rights of Lessor and Lessee hereunder may be assigned in whole or in part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee, and Lessee may continue to make payments precisely as if no change had occurred. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and Lessee's operations may be conducted without regard to any such division. If all or any part of the Lessee's interest hereunder shall be assigned, no leaseholder owner shall be liable for any act or omission of any other leaseholder owner, and failure by one to pay rental shall not affect the rights of others—rental being apportionable in proportion to acreage.

8. Whenever, as a result of any cause beyond Lessee's control (such as fire, flood, windstorm or other Act of God; law, order or regulation of any governmental agency; or inability to secure men, material or transportation) Lessee is prevented from complying with any obligation of this lease, Lessee shall not be liable for damages or forfeiture of this lease and Lessee's obligations shall be suspended so long as such cause persists. If by any such cause, all operations and all production hereunder are prevented after the expiration of the primary term, Lessee may at any time or times and at Lessee's election pay Lessor as royalty (in addition to any royalties based on actual production) a sum equal to one-fourth (1/4) of the rental hereinabove provided on the acreage then held by Lessee hereunder, whereupon it shall be considered for all purposes of this lease that oil, gas or other mineral is being produced hereunder for a period of three months from the date such payment is made. Any such payment may be made in the same manner as provided elsewhere in this lease for the payment of rental.

9. Lessee may at any time or times unitize this lease and the lands covered hereby, in whole or in part, or as to any stratum or strata, with other lands and leases in the same field, so as to constitute a unit or units, whenever, in Lessee's judgment, required to promote or encourage the conservation of natural resources by facilitating an orderly or uniform well spacing pattern; a cycling, pressure-maintenance, re-pressuring or secondary recovery program; or any cooperative or unit plan of development or operation approved by the Secretary of the Interior of the United States. The size of any such unit may be increased by including acreage believed to be productive, and decreased by excluding acreage believed to be