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71

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Form 88—(Producers)
MONTANA 1-46

B OIL AND GAS LEASE

KANSAS BLUE PRINT CO.
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141 North Market St.—Wichita, Kansas

AGREEMENT, Made and entered into this XL 21st day of January, 19 52,
by and between Charles J. Bayer and Margaret C. Bayer, husband and wife, and
William Bayer and Jennie L. Bayer, husband and wife, of Pinedale, Wyoming

Party of the first part, hereinafter called lessor (whether one or more) and
The Hancock Oil Company of California Part y 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 and by these presents does grant, demise,
lease and let unto said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining, and operating
for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take
care of said products, all that certain tract of land situated in the County of Sublette State of Wyoming described as
follows, to-wit: E₂SE₄ Section 31; W₂NW₄, NW₄SW₄ Section 32, Township 35 North, Range 109
West; Lot 1, SE₄NE₄, E₂SE₄ Section 6; E₂ Section 7;
SW₄NW₄

of Section 8 Township 34 North Range 109 West and containing 720.61 acres more or less.

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

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth
($\frac{1}{8}$) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas from each well where gas only is found the equal one-eighth ($\frac{1}{8}$) of the gross proceeds at the
prevailing market rate, for all gas used off the premises, said payments to be made monthly
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 said
land during the same time by making his own connections with the well at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head
gasoline, one-eighth ($\frac{1}{8}$) of the proceeds at the prevailing market rate for the gas used, for the time during which such gas shall
be used, said payments to be made monthly

If no well be commenced on said land on or before the 21st day of January, 19 53,
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 at Rock Springs, Wyoming
or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of
Seven Hundred Twenty & 64/100 DOLLARS, which shall operate as a rental and cover the privilege of deferring

the commencement of a well for 12 months from said date. The payment herein referred to may be made in
currency, draft, or check at the option of the lessee. In like manner and upon like payments or tenders the commencement of a
well may be further deferred for like periods or 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. 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 hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not com-
menced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease
shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment
of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of
the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the
effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

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.

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

When requested by 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 land.

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 pay-
ing quantities, this lease shall continue and be in force with the 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 true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a
part or as to 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 upon which the said lessee or any assignee thereof shall make due
payments of said rentals. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with
respect to the assigned portion or portions arising subsequent to the date of assignment.

All express 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 be terminated, in whole or in part, nor lessee 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.

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 mortgages, 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.

The undersigned hereby waive all rights under the homestead exemption laws
of the State of Wyoming

Whereof witness our hands as of the day and year first
above written.

Witness to the mark:

William Allen

Charles J. Bayer (SEAL)
Maryann C. Bayer (SEAL)
William Bayer (SEAL)
Jennie L. Bayer (SEAL)