

50978

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 FEES \$2.00
 SUBLETTE COUNTY CLERK
 SUBLETTE COUNTY, PINEDALE, WYOMING

W0-108

AGREEMENT AND OPTION

THIS AGREEMENT AND OPTION, made this 3d day of AUGUST, 1954, by and between P. F. CATTERSON, JOINED BY HIS WIFE, MARY E. CATTERSON of 3939 PARKER CT., INDIANAPOLIS, INDIANA, hereinafter referred to as Optionor, and EL PASO NATURAL GAS COMPANY, hereinafter referred to as Optionee,

WITNESSETH THAT: WHEREAS OPTIONOR WAS ISSUED AN OIL AND GAS LEASE BEARING WYOMING SERIAL NO. W-028417, FROM THE UNITED STATES AS LESSOR TO SAID P. F. CATTERSON AS LESSEE, DATED AUGUST 1, 1954, COVERING ALL OF THE FOLLOWING DESCRIBED LANDS IN SUBLETTE COUNTY, WYOMING, TO-WIT:

TOWNSHIP 27 NORTH, RANGE 105 WEST, 6TH P.M.

SECTION 1: $S\frac{1}{2}$
 SECTION 2: LOTS 1,2,3,4, $S\frac{1}{2}N\frac{1}{2}$
 SECTION 11: ALL
 SECTION 13: ALL
 SECTION 23: ALL

CONTAINING 2,558.09 ACRES, MORE OR LESS

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, the Optionor hereby grants to the Optionee the right and option to acquire by assignment all of the right, title and interest of the Optionor in and to the above described lease to the extent that it covers or may cover the above described land, or any part thereof, and shall be in manner, form and substance satisfactory and acceptable to the Optionee, and be free and clear of any liens, encumbrances or outstanding interests except as hereinbelow set out:

An overriding royalty of ONE per cent (1 %) of all oil and gas produced, saved and marketed from the above described land, which royalty interest is to be reserved by Optionor if and when Optionee elects to take the assignment of the interest of Optionor in said land as herein provided.

The option hereby granted, unless sooner terminated by surrender as herein-after provided, shall expire two (2) years from the date hereof if said lease has already been issued, or two (2) years from the date of issuance of said lease if it has not already been issued, provided further, that where all or any part of the land covered hereby is included in a unit or cooperative plan executed by the parties and submitted to the Secretary of the Interior for approval prior to the termination of the two-year option period, then as to that part of the land covered hereby which is included in said unit or cooperative plan, said two-year period shall be extended for an additional period to a date thirty (30) days after the date of final approval or disapproval by the Secretary of that unit or cooperative plan. Failure to exercise said option within said time shall not, however, impair or terminate the subjection or committal of said land or any part thereof to a unit or cooperative plan of development effected by Optionor or THEIR attorney in fact, during said two-year period, pursuant to the terms of this instrument. Optionee, at any time during the option period, may release and surrender his rights hereunder as to all or any portion of the lands above described by notice of such surrender mailed to the Optionor at the address above set out at least fifteen (15) days before the next rental payment is due.

In the event of the exercise of said option, Optionee shall, upon the exercise thereof, pay to Optionor an additional sum of Ten Dollars (\$10.00), total consideration.