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OIL AND GAS LEASE BEE-26277 (26279)

429.

AGREEMENT, Made and entered into this 30th day of July, 1955 by and between
Mary O'Neil Meeks and Vern Meeks, her husband
321 N. Russell
of Missoula, Montana, hereinafter called lessor (whether one or more) and
THE CARTER OIL COMPANY
of Box 801 - Tulsa, Oklahoma, hereinafter called lessee:

WITNESSETH: That the lessor, for and in consideration of Ten & more ---------- DOLLARS ($_____), cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto said lessee, with the exclusive right of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil, gas, casinghead gas, casinghead gasoline, and laying pipelines, telephone and telegraph lines, and building tanks, power stations, gasoline plants, ponds, roadways and structures thereon to produce, save and take care of said products, and the exclusive right of injecting water, brine and other fluids into subsurface strata, and housing and boarding employees and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving, and taking care of oil, gas, casinghead gas, casinghead gasoline and the injection of water, brine and other fluids into subsurface strata, all that certain tract of land situated in the County of Sublette, State of Wyoming, described as follows, to-wit:

TOWNSHIP 33 NORTH, RANGE 113 WEST, 6th P. M.

Sec 3: Lots 3 & 4, SW¼NW¼, and NW¼SW¼; Sec 4: Lots 1 & 2, and S½NE¼; Sec 10: NE¼SW¼, W½SE¼, and SE¼SE¼; Sec 11: S½NW¼, and N½SW¼.

TOWNSHIP 34 NORTH, RANGE 113 WEST, 6th P. M.

Sec 15: W ½SE¼, and S½SW¼; Sec 17: SW¼NW¼, and N½SW¼; Sec 18: Lots 3 & 4, E½NW¼, W½NE¼, SE¼NE¼, N½SE¼, SW¼SE¼, and E½SW¼; Sec 20: SW¼NE¼, E½SW¼, and SE¼; Sec 21: SW¼SW¼, N½SW¼, NW¼SE¼, and SE¼NE¼; Sec 22: N½NW¼, and SW¼NW¼; Sec 29: NW¼NE¼, and SW¼SE¼; Sec 32: NE¼, N½SE¼, and SE¼SE¼; Sec 33: SW¼, and SW¼SE¼; Sec 34: E½SW¼.

~~of Section~~ ~~Township~~ ~~Range~~ five (5) and containing - 2,628.30 - acres, more or less.

It is agreed that this lease shall remain in force for a term of ~~ten~~ years from this date, and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises but lessee is then engaged in drilling operations, then this lease shall continue in force so long as drilling operations are being continuously prosecuted on the leased premises.

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 lessee may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty, the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

2nd. To pay the lessor one-eighth, at the market price at the well for the gas so used, for the gas from each well where gas only is found, while the same is being 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 said land during the same time by making his own connections with the wells 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 casinghead gasoline, one-eighth, at the market price at the well for the gas so 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 one year from the date hereof, 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 First National Bank at Missoula, Montana, or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Twenty-six Hundred twenty-eight & 30/100-------- 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. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. It is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege 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.

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 commenced 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 the 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.

Lessee may at any time release this lease as to part or all of the lands above described, after which all payments and liabilities thereafter to accrue, as to the lands released, shall cease and determine. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

No part of the surface of the leased premises shall, without the written consent of the lessee, be let, granted, or licensed by the lessor to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil or gas.

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 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 the lessor, lessee shall bury its 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 operation 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 estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sub-lessees or assigns, their heirs, executors, administrators and successors; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged, as to the lands so assigned or sublet, from any liability to the lessor thereafter accruing upon any of the covenants or conditions of the lease, either express or implied. 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 or sublet as to a part or parts of the above described lands and the assignee or assignees, or sub-lessee or sub-lessees, 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 as to which the said lessees or any assignee or sub-lessee thereof shall make due payment of said rental.

If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties and their respective successors in title.

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 pay for lessor, 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, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

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.

Should the depository bank hereafter close without a successor, lessee or his assigns may deposit rental in any National Bank located in same county with first named bank, due notice of the deposit of such rental to be mailed to lessor at last known post office address.

Should any person, firm or corporation having an interest in the above described land not lease to lessee, or should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

Lessor agrees that the lessee or assigns may include the land covered hereby, or any part thereof, in any unit plan of development or operation which is approved by the Secretary of the Interior or by the Secretary of Agriculture and lessor agrees to execute any such approved unit plan in order to make it effective as to the interests covered by this lease. In such event, royalty will be paid to lessor at the rates set forth above, as to the land covered hereby and included in the unit, based upon the production allocated pursuant to the unit plan to said land; and the drilling or completion or continued operation of a well on any portion of the area included within such a plan shall be construed and considered as the drilling or completion or continued operation of a well under the terms of this lease as to all of the land covered by the lease.

The undersigned lessors, for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of the State of Wyoming, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

In Testimony Whereof, We Sign, as of the day and year first above written.

In the Presence of:

+ Mary O'Neil Meeks (SEAL)
× Vern Meeks (SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)

Each signature must be attested by one witness.