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IN BOOK 30 of Lessee PAGE 496

54460

FEE \$ 1.60 COUNTY CLERK

OPTION

FROM KINTZEL BLUE PRINT CO. 134 N. CENTER, CASPER, WYOMING

SUBLETTE COUNTY, PINEDALE, WYOMING

THIS AGREEMENT, Dated the 12th day of August, 19 55, by and

between Leona J. Campbell, of the County of Denver, State of Colorado, whose address is 1540 Locust St., Denver 20, Colorado, hereinafter called "Lessee", and Belco Petroleum Corporation, whose address is 42 Broadway New York, N. Y., hereinafter called "Optionee",

WITNESSETH:

WHEREAS, Lessee filed in the United States Land Office at Cheyenne, Wyoming application, Serial No. 034852 for oil and gas lease on United States lands, covering the following described land in Sublette County, State of Wyoming:

Township 33 North, Range 113 West, 6th P.M.

Section 3 - Lots 1, 2

Township 34 North, Range 113 West, 6th P.M.

Section 20 - NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{2}$ SW $\frac{1}{4}$

Section 21 - N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{2}$ SW $\frac{1}{4}$

Section 22 - E $\frac{1}{2}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 28 - all

Section 34 - N $\frac{1}{2}$, SE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

2558.89 acres

and

WHEREAS, Optionee desires the option to take from Lessee an operating agreement or an assignment upon all or any part of the above described land and any oil and gas lease which may have heretofore issued or may hereafter issue thereon, and Lessee is willing to grant such option for the consideration and upon the terms and conditions herein set forth:

NOW, THEREFORE, in consideration of the sum of Ten and 00/100ths and more (\$ 10.00 & more), in hand paid by Optionee to Lessee, receipt of which is hereby acknowledged by Lessee, which sum is paid and accepted as consideration for each and all of the covenants, agreements, and provisions of this option, and of the agreements herein contained to be performed by Optionee, it is agreed:

1. For the purpose of geological or geophysical exploration, Lessee grants to Optionee the exclusive, non-renewable, right and option to demand and receive, at Optionee's sole election, at any time during the term hereof, an operating agreement as to all or any part of the above described land covered by such application or oil and gas lease, or an assignment of said lease as to all or any part of said land or such an operating agreement as to part of said land and such assignment as to another part thereof. Such option may be exercised in the following manner:

- (a) Attached hereto is a form of operating agreement marked Exhibit "A" and a form of assignment marked Exhibit "B". Optionee may at any time during the term hereof elect to take an operating agreement as to all or any part of said land or an assignment of said lease as to all or any part of said land or such an operating agreement as to part of said land and such an assignment as to another part thereof. Optionee may make such election by preparing and submitting to Lessee such instruments as it desires executed which shall be substantially in accordance with the attached forms. Lessee agrees, in such event, promptly to execute, acknowledge and deliver to Optionee such forms as Optionee requests.
- (b) It is further agreed that in the event the Secretary of the Interior shall refuse to approve such operating agreement or assignment Lessee shall, and hereby agrees to, execute an operating agreement or an assignment to Optionee in such form as shall be acceptable to the Secretary of the Interior or his representative. Lessee further agrees to execute and deliver any additional or different papers which may be required in order to secure the approval of the Secretary of the Interior or his representative to such operating agreement or assignment.
- (c) Lessee further agrees, at any time before or after the exercise of this option, at Optionee's request, to execute a Unit or Co-operative Plan for the Area in which all or a part of the above described land is located, said Plan to be in form satisfactory to Optionee and the Secretary of the Interior.

2. Lessee shall, at all times during the life of this option and prior to the execution of such operating agreement or assignment by Lessee and the approval thereof by the Secretary of the Interior or his representative, keep and maintain said application and any lease issued pursuant thereto and any renewals, modifications or extensions of said lease in full force and effect and fully keep and perform Lessee's obligations under such lease as to the land covered by this option; provided, that Optionee shall reimburse Lessee for any expenses hereafter incurred by Lessee in the payment of rentals and filing of bonds, or other expenses incurred with prior written consent of Optionee for the maintenance of said application or lease; provided, however, that if at any time Optionee shall, by notice to Lessee, release this option as to all or any part of the land covered hereby, then Optionee shall not be obligated to reimburse Lessee for any such expenses incurred in maintaining said application or lease as to the land so released from this option.

3. Subject to Optionee's right to surrender this option, as provided in paragraph numbered 4 hereof, this option shall continue in force during the pendency of said application and thereafter for the period of two years from and after the date of any lease which shall issue pursuant to said application, provided that if such lease shall have heretofore issued, then this option shall continue in force for a period of two years from the date of this option; and provided, further, that if all or any part of the land covered hereby is included in a Unit or Co-operative Plan duly executed by the parties submitted to the Secretary of the Interior for final approval prior to the expiration of said two-year period, then, as to that part of the land covered by this option which is included in said unit or cooperative plan, this option shall not expire until a date thirty days after the date of final approval or disapproval by the Secretary of that unit or cooperative plan.

4. Optionee shall have the right to terminate this agreement at any time by written notice to Lessee as to all or any part of said land, and upon such termination of this agreement both parties hereto shall be forever released and discharged from all and singular their obligations hereunder, as to the land so released except those which have theretofore accrued.

5. Lessee agrees to furnish to Optionee promptly upon receipt by Lessee any notices, demands, or information concerning said application or any lease issued pursuant thereto. Demands upon and notices and communications to Optionee may be addressed to Optionee at Optionee's address given above, and demands upon and notices and communications to Lessee may be addressed to Lessee at Lessee's address given above. Lessee does hereby designate and constitute.....

....., whose address is....., as Lessee's agent to whom all demands, notices and communications may be sent with the same force and effect as if sent to the Lessee. Either party shall have the right to change the address to which demands, notices and communications to such party shall be given upon notifying the other party in writing, and Lessee shall have the right to change the designation of agent hereinabove made by notifying Optionee of the name and address of a new agent.

6. Nothing herein contained shall be construed as being in any manner in derogation of any of the terms, conditions or provisions of the Act of Congress under and by virtue of which said lease is issued or of any regulations of the Department of the Interior of the United States lawfully promulgated thereunder; but, on the contrary, this agreement shall in all particulars be deemed amenable to reformation to eliminate or modify any portions thereof found to be in contravention of the provisions of said Act or such regulations or against public policy and, except as to the provisions so eliminated, shall remain and be in full force and effect as so modified.