

(b) **RIGHTS OF WAY AND EASEMENTS.** From the operation of this lease all lands heretofore granted for Rights of Way and Easements and reserves the right to grant such other Rights of Way and Easements as provided by the statutes of the State of Wyoming, as long as such Rights of Way and Easements do not conflict with the operations for oil and gas on the land herein leased.

(c) The right, with consent of the lessee, to commit the herein leased lands in a unit or co-operative plan of development, and to establish, alter, change, or revoke the drilling, producing, and royalty requirements of the lease to conform therewith.

(d) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

SECTION 5. APPRAISAL OF IMPROVEMENTS. Upon the expiration of this lease, or earlier termination thereof pursuant to surrender or forfeiture, or if such land shall be leased to another other than the owner of the improvements thereon, the lessee agrees that the improvements shall be disposed of pursuant to Section 24-704, Chapter 24, as to State and School Lands, and Chapter 21 (21-122B) as to Farm Loan Board Lands, Wyoming Compiled Statutes of 1945 and amendments thereto.

SECTION 6. FORFEITURE CLAUSE. In the event that the lessee shall have procured this lease through fraud, misrepresentation or deceit, then and in that event this lease, at the option of the lessor, shall cease and terminate and shall become ipso facto null and void, and all improvements upon said land or premises under the terms of this lease shall forfeit to and become the property of the State of Wyoming. In the event that the lessee shall fail to make payments of rentals and royalties as herein provided, or make default in the performance or observance of any of the terms, covenants and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof; but these provisions shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SECTION 7. RELINQUISHMENT AND SURRENDER. This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished the lessee shall file with the Commissioner of Public Lands a written relinquishment or surrender, duly signed and either witnessed or acknowledged and stating therein that no operations have been conducted on the land and shall further pay a filing fee of one dollar (\$1.00) and a recording fee of ten dollars (\$10.00). The relinquishment so filed shall become effective on the date and hour of receipt thereof in the Office of the Commissioner or at some later date if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished the lessee shall give sixty (60) days notice and shall file with the Commissioner a written relinquishment or surrender duly witnessed or acknowledged and stating therein that operations have been conducted on the land and shall further pay a consideration of ten dollars (\$10.00), a filing fee of one dollar (\$1.00) and a recording fee of ten dollars (\$10.00). The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the Board of Land Commissioners.

All rentals becoming due prior to a surrender or relinquishment becoming effective shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee, and the lease as to the relinquished lands may not be reinstated.

SECTION 8. HEIRS AND SUCCESSORS IN INTEREST. It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

SECTION 9. This lease is issued by virtue of and under the authority conferred by Chapter 24, Wyoming Compiled Statutes 1945, and Chapter 157 Session Laws of Wyoming 1951, as to the State and School Lands, and Chapter 21 (21-122), Wyoming Compiled Statutes, 1945, and Chapter 156, Session Laws of Wyoming, 1951, as to Farm Loan Board Lands.

IN WITNESS WHEREOF, The said lessor has caused these presents to be signed by the Governor, President of the Board of Land Commissioners, countersigned by the Commissioner of Public Lands, Secretary of the Board of Land Commissioners, and the seal of the Board to be affixed, and the lessee has caused these presents to be signed and sealed in the manner following:

Signed on the 1 day of June, 1956

LESSOR: STATE OF WYOMING, acting by and through its Board of Land Commissioners.

Witness

By

Gilbert L. Simpson
Governor—President, Board of Land Commissioners

COUNTERSIGNED:

Witness

Commissioner of Public Lands—Secretary

Witness

LESSEE: Phillips Petroleum Company

Witness

BY:

President

Witness

SECRETARY

Assistant Secretary

Witness

Witness

APPROVED AS TO FORM AND EXECUTION

MAR 7 1956

GEORGE F. GUY, ATTORNEY GENERAL

By

Assistant Attorney General

Form Approved by Board: May 4-11, 1950; 4—1951; 5—1952.

Lease and bond approved by Board: FEB 2 1956

Examined:

Cash Bond of \$25.00 on deposit in the Office of the Commissioner of Public Lands.