

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the _____ day of _____, A.D. 1956 between John C. Budd and Lula Budd, his wife, and Joseph L. Budd and Ruth F. Budd, his wife. _____, hereinafter called lessor, and Big Piney Oil and Uranium Company, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Five hundred fifty Dollars (\$550.00) in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted and leased and hereby grants, leases and let unto the lessee for the purpose of mining and operating for and producing oil and gas, casinghead gas and casinghead gasoline, laying pipe line, building tanks, storing oil, building power stations, telephone lines and other structures thereon to produce, save, take care of and manufacture all of such substances, and for housing and boarding employees, the following described tract of land in Sublette County Wyoming

to-wit: The SE 1/4 of NE 1/4 and NE 1/4 of SE 1/4 of Sec 27; SW 1/4 of NW 1/4, W 1/2 of SW 1/4, SE 1/4 of SW 1/4, SW 1/4 of SE 1/4, of Sec 26; the NW 1/4, W 1/2 of NE 1/4, SE 1/4 of NE 1/4 NE 1/4 of SW 1/4 and NW 1/4 of SE 1/4 of Sec 27; all in Twp. 31 North Range 113 West of the 6th P. M. Wyoming

Area 640 acres

However, it is understood that lessor owns only a one half undivided interest in the oil and gas in and under said land and that this lease applies only to said one half undivided interest. in Section _____, Township _____, Range _____, and containing _____ acres, more or less.

2. This lease shall remain in force for a term of Three (3) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is or can be produced.

3. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at 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.

4. The lessee shall pay lessor, as royalty, one-eighth of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found, and where not sold shall nevertheless pay the minimum annual royalty hereinafter provided for and while such minimum royalty is so paid such well and any other oil or gas well of