

PRODUCERS 88 5 • Sp.
WYOMING

OIL AND GAS LEASE

481-947
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FROM KINTZEL BLUE PRINT CO.

THIS AGREEMENT made this 22nd day of August 1957, between
 Harrison Guio and Josephine O. Guio, husband and wife;
 Sadie Osterhout, a widow, all of Big Piney, Wyoming

Lessor (whether one or more), and **Sohio Petroleum Company, an Ohio Corporation** *J.O.G.*
 Lessee, WITNESSETH:

1. Lessor in consideration of **Ten and additional - - - - - Dollars** *J.O.G.*
 (\$10.00), in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby
 grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and pro-
 ducing oil and gas, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take
 care of, treat, transport and own said products, and ~~leasing its employees~~, the following described land in **Sublette County, Wyoming, to-wit:** *J.O.G.*

**SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ of Sec. 4; E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 5; NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8
 and N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 9; all in Township 30 North,
 Range 112 West of 6th P. M.** *J.O.G.*

Lessee agrees that the Lessor Harrison Guio shall have and receive an
 overriding royalty of one per cent (1%) of all oil, gas and other
 hydrocarbon substances produced, saved and sold from the above described
 lands pursuant to the terms of this lease. *J.O.G.*

~~Section Township Range~~

~~It being intended hereby to include herein all lands and interests therein contiguous to or appurtenant to said described lands owned or claimed
 by Lessor. For rental payment purposes said leased lands shall be deemed to contain 680.00 acres, more or less.~~ *J.O.G.*

2. Subject to the other provisions herein contained, this lease shall be for a term of ~~12 years~~ **5 years** from this date (called
 "primary term") and as long thereafter as oil or gas is produced from said land hereunder or drilling or reworking operations are conducted thereon. *J.O.G.*

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at
 the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in
 its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead
 gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product
 therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-
 eighth of the amount realized from such sale; where gas from a well producing gas only is not sold or used, Lessee may pay as royalty ~~\$100.00 per~~
~~well per year and if such payment is made it will be considered that gas is being produced within the meaning of Paragraph 2 hereof.~~ Lessee shall
 have free use of oil, gas, ~~water~~, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on
 oil and gas shall be computed after deducting any so used. Lessor shall have the privilege at his risk and expense of using gas from any gas well on
 said land for stoves and inside lights in the principal dwelling thereon out of any surplus gas not needed for operation hereunder. *J.O.G.*

4. If operations for drilling are not commenced on said land ~~or on acreage pooled therewith~~ as hereinafter provided, on or before (1 year)
 one year from this date the lease shall then terminate as to both parties, unless on or before such date Lessee shall pay or tender to Lessor or to
 the credit of Lessor in **State Bank of Big Piney**, Bank at **Big Piney**, Wyoming, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in
 ownership of said land or the rentals either by conveyance or by the death or incapacity of Lessor) the sum of **Six Hundred** *J.O.G.*

Eighty and No/100 Dollars (\$ 680.00)

~~(herein called rental), which shall cover the privilege of deferring commencement of operations for drilling for an additional
 period of twelve (12) months. In like manner and upon like payments or tenders annually the commencement of operations for drilling may be
 further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental herein referred to
 may be made in currency, draft or check at the option of the lessee; and the depositing of such currency, draft or check in any post office, with
 sufficient postage and properly addressed to the lessor, or said bank, on or before the rental paying date, shall be deemed payment as herein
 provided. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept
 rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver
 to Lessee a proper recordable instrument, naming another bank as agent to receive such payments or tenders. The down cash payment is consider-
 ation for this lease according to its terms and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to
 Lessor or to the depository above named or place of record a release or releases covering any portion or portions of the above described premises
 and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the
 rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.~~ *J.O.G.*

5. Should any well drilled on the above described land ~~or on acreage pooled therewith~~ during the primary term before production is obtained
 be a dry hole, or should production be obtained during the primary term and thereafter cease, then and in either event, if operations for drilling an
 additional well are not commenced or operations for reworking an old well are not pursued on said land on or before the first rental paying date
 next succeeding the cessation of production or drilling or reworking on said well or wells, then this lease shall terminate unless Lessee, on or before
 said date, shall resume the payment of rentals. Upon resumption of the payment of rentals, Section 4 governing the payment of rentals, shall
 continue in force just as though there had been no interruption in the rental payments. If during the last year of the primary term and prior to
 the discovery of oil or gas on said land ~~or on acreage pooled therewith~~, Lessee should drill a dry hole thereon, or if after discovery of oil or gas be-
 fore or during the last year of the primary term the production thereof should cease during the last year of said term from any cause, no rental
 payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If, at the expiration of the primary
 term, lessee is conducting operations for drilling a new well or reworking an old well, or if, after the expiration of the primary term, produc-
 tion on this lease shall cease, this lease nevertheless shall continue as long as said operations continue or additional operations are had, which
 additional operations shall be deemed to be had where not more than sixty (60) days elapse between abandonment of operations on one well and
 commencement of operations on another well, and if production is discovered, this lease shall continue as long thereafter as oil or gas is produced
 and as long as additional operations are had. *J.O.G.*

6. Lessee is hereby given the right and power to pool or combine the land covered by this lease or any portion thereof with any other
 land, lease or leases when in Lessee's judgement it is necessary or advisable to do so in order to properly develop and operate said premises. If
 production is found on the pooled acreage, it shall be treated as if production is had from this lease whether the well or wells be located on the
 premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled
 only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total
 acreage so pooled in the particular unit involved. *J.O.G.*

7. Lessee shall have the right at any time without Lessor's consent to surrender all or any portion of the leased premises and be relieved
 of all obligation as to the acreage surrendered. Lessee shall have the right at any time during or after the expiration of this lease to remove all
 property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury
 all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without
 Lessor's consent. *J.O.G.*

8. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors
 and assigns of the parties hereto, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate
 to enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land, or any interest therein, shall be binding
 on Lessee until Lessee shall be furnished with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence
 of any transfer, inheritance, or sale of said rights. In event of the assignment of this lease as to a segregated portion of said land, the rentals
 payable hereunder shall be apportionable among the several leasehold owners ratably according to the surface area of each, and default in rental
 payment by one shall not affect the rights of other leasehold owners hereunder. In case Lessee assigns this lease, in whole or in part, Lessee shall
 be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment, *except the*
~~obligation to clear the title to the premises upon termination.~~ *J.O.G.*

9. All express and implied covenants of this lease, both before and after production is obtained upon the leased premises, shall be subject to
 all Federal and State laws, executive orders, rules and regulations, and notwithstanding anything herein to the contrary, this lease shall not expire,
 terminate or be forfeited in whole or in part, nor shall Lessee be liable for damages for failure to comply with any of said covenants so long as
 or if compliance therewith is hindered, delayed or prevented by such law, order, rule or regulation. If drilling operations or compliance with the
 provisions of this lease, both expressed and implied, is hindered, delayed or prevented by reason of any such law, order, rule or regulation at the
 expiration of the primary term hereof, the primary term shall be and the same is hereby extended for the full term of such hindrance, delay or
 prevention and for a period of one (1) year after such law, order, rule or regulation causing or resulting in the delay, hindrance or prevention has
 as to the lands herein leased become wholly ineffective. Prior to the discovery of oil, gas or other mineral upon the leased premises the extension
 herein granted shall be ineffective unless Lessee shall, at or before the expiration of the primary term and during the period of such hindrance,
 delay or prevention, continue to pay or tender the annual delay rentals hereinabove mentioned as to all lands then subject to this lease on each
 anniversary rental paying date as the same become due and payable or until drilling operations are commenced or production of oil, gas or other
 mineral is obtained in accordance with the other provisions of this lease and the payment or tender of such rentals at such times shall have the
 same force and effect as rental payments paid or tendered during the primary term hereinabove mentioned. If rental payments have been suspended
 under the terms of this lease by reason of the commencement of operations for drilling or on account of the production of oil, gas or other minerals
 prior to the time Lessee is hindered, delayed or prevented by any such law, order, rule or regulation, Lessee may resume the payment or tender of
 the annual delay rental on the rental date next ensuing after Lessee has been hindered, delayed or prevented from complying with provisions of
 this lease as aforesaid, and the resumption of the payment of delay rentals shall have the same force and effect as though rentals had been continu-
 ously paid on each rental paying date, and by continuing such rental payments Lessee may extend this lease beyond the primary term for the full
 period hereinabove mentioned. *J.O.G.*

APPROVED

Date 9/18/57

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