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RECORDED April 21 1958 10:00 AM
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 SUBLETTE COUNTY, PINEDALE, WYOMING

OPTION FOR ASSIGNMENT OF OIL AND GAS LEASE

FROM KINTZEL BLUE PRINT CO., 138 N. CENTER, CASPER, WYOMING

This option, made this 16 day of December, A. D., 19 57, by and between

Lynn W. Morrell and Marie E. Morrell

mailing address 451 Chester Place, Pomona, Calif., hereinafter

called lessee, party of the first part, and Belfer Natural Gas Co.

mailing address Suite 1601-8, 42 Broadway, New York New York, hereinafter

called assignee, party of the second part, WITNESSETH:

Whereas, lessee has filed an application for an oil and gas lease under the Act of Congress, approved February 25, 1920 (41 Stat. 437), as amended, bearing Serial No. W-039494-D, said application bearing date

_____ and covering the following described land in the County of Sublette

and State of Wyoming:

Township 30 North, Range 115 West, 6th P.M.

Section 29, E $\frac{1}{2}$ NE $\frac{1}{4}$

Said lease was issued to the lessee as to the above described land under date of April 1, 1956

(Delete if lease not issued.)

For and in consideration of the sum of One Dollar (\$1.00), and other valuable consideration, the receipt of which is hereby acknowledged, and which is acknowledged to be sufficient to support all the rights and privileges hereby granted, lessee hereby grants unto the assignee, or to assignee's qualified heirs, personal representatives, successors and assigns, the right and option to acquire by assignment all of the right, title and interest of the lessee, his heirs, personal representatives or assigns, in and to the above described lease, when and if issued and to any extension thereof, to the extent that it covers or may cover the above described land, or any part thereof, such assignment to be in manner, form and substance satisfactory and acceptable to assignee, and to be free and clear of any and all liens, encumbrances or outstanding interests except as hereinbelow set out:

(a) None

(b) An overriding royalty of Three percent (3 %) of all oil and gas produced, saved and marketed from the above described land, which royalty interest is to be reserved by lessee if and when assignee elects to take the assignment of the interest of lessee in said land as herein provided.

The optional right hereby granted is for the purpose of enabling the assignee to do and perform such geological or geophysical exploration as assignee may desire on and in the vicinity of said land at any time hereafter and until the termination of said option, including the right to drill core holes and perform seismograph or other work thereon. If the above described lease has issued, as above set out, then this option must be exercised by assignee within 3 years from and after the date hereof; but if the lease has not been issued and the application therefor is still pending before the Department of the Interior, said option period shall be for the term of 3 years from and after the date of actual issuance of the lease; provided however, in either case, that if all or part of the land covered hereby is included in a cooperative or unit plan of development under said Act of Congress, as amended, duly executed by the parties hereto, and submitted to the Secretary of the Interior for final approval prior to the expiration of the option period, then as to such land so included, this option shall not expire, and the rights granted hereunder shall be extended until 30 days after final approval or disapproval of said plan by the Secretary.

In the event said lease has not been issued, lessee agrees to execute and file all documents and papers and to do all things necessary to secure the prompt issuance of said lease, and to promptly furnish assignee with all papers and notices and requirements received from the Department of the Interior.