

WHEREAS, the parties hereto desire to make the following agreement with respect only to the development and operation for oil and gas of all formations within the lands above described, below the top of the Hilliard shale of Cretaceous age, and which lands as to said formations will herein-after in this agreement be referred to as "said lands".

NOW, THEREFORE, for and in consideration of the performance of the parties hereto of the agreements and covenants hereinafter set forth, the parties hereto agree as follows:

1. This agreement shall cover and relate to any lease heretofore or hereinafter issued and to any renewals, modifications, or extensions of said lease and any lease issued in lieu thereof, or other character of lease issued as a result thereof to the Grantor for said lands or any part thereof under any law of the State of Wyoming heretofore or hereinafter enacted. The term "said lease", as hereinafter used, shall relate to any such lease as hereinabove described.

2. As to said lands, Grantor represents that Grantor is the sole and absolute owner of said lease subject to a gas purchase contract between Mountain Fuel Supply Company and The California Company, dated January 10, 1957, and that said lease is not subject to any other prior sale, assignment, operating agreement, royalty, rental, financial burden, restriction, condition, or obligation of any kind or character other than those imposed by the State of Wyoming by law, regulations, or the terms of such lease, and Grantor agrees to protect Operator against any expense, loss, or damage arising as a result of any claims or rights asserted by, through or under Grantor in or to said lease.

3. Operator shall have and is hereby given the sole and exclusive right of possession and occupancy of said lands under said lease for the purpose of drilling for, mining, extracting, removing, and disposing of all the oil and gas deposits in or under said lands and for the purpose of exercising any other rights and privileges afforded by the said lease subject to the right of Grantor to enter upon said lands at all reasonable times for the purpose of inspecting same and the operations of Operator thereof; subject also to the right of Grantor to drill for, mine, extract, remove and dispose of all oil and gas deposits from all formations above the top of the Hilliard