

In the interests of conservation, Lessee is hereby granted the right, during the primary term hereof, to pool all or part of the leased premises (or any stratum or strata underlying all or any part of the leased premises) with other lands, and so pooled to comprise a drilling unit; provided, however, that such drilling unit shall contain a surface area in excess of approximately 640 acres if the drilling unit is for gas production or 40 acres if the drilling unit is for oil production unless an advantage in allowable can be obtained by reason of a larger area, in which case each such drilling unit may contain such maximum area on which such allowable advantage can be obtained. In the event any such drilling unit is created or having been created, is thereafter changed, Lessee shall, within a reasonable time thereafter, record a written statement designating and describing the lands included within such drilling unit and the interests affected thereby and furnish Lessor with a copy of the written statement so recorded. In the event of such pooling by Lessee, production from any well within such drilling unit from the formation for which such unit is formed shall be deemed allocated on an acreage basis to lands within such drilling unit and production from any well within such premises covered hereby shall, for all purposes of this lease, be deemed produced from the leased premises; conversely, production allocated to other lands within such drilling unit shall be deemed produced from such other lands and not from the premises covered hereby. Operations on any lands within any such drilling unit shall, for all purposes hereof, be deemed operations on the leased premises. If there is a shut-in well within such drilling unit capable of producing from the formation for which such unit is established, this lease shall remain in effect as if such shut-in well were on the leased premises and any royalty payable on account thereof shall be the same as if such well were located on the leased premises. If the drilling unit is contracted, there shall be no retroactive accounting for royalties.

14. This lease shall never be forfeited or cancelled for breach of implied covenant until it shall have been finally judicially determined that such breach exists and Lessee shall have failed within a reasonable time of such final determination, to remedy such breach.

15. Lessor warrants and agrees to defend the title to the lands hereinabove described.

It is Lessor's expressed intent to lease hereunder all of the interest which he may now or from time to time hereafter during the term of this lease hold or claim in the oil, gas, and other minerals in, under, or that may be produced from the described premises whether or not such interest is presently vested in Lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by Lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by Lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided in Section 6 with respect to change in ownership of leased premises.

16. Lessee hereby is given the right to acquire for its own benefit deeds, leases, or assignments covering any interest or claim in the leased premises which Lessee or any other party contends is outstanding and is not covered hereby and even though such outstanding interest or claim be invalid or adverse to Lessor.

17. This lease shall not expire, terminate or be forfeited in whole or in part nor shall Lessee be liable in damages for failure of Lessee to comply with any express or implied covenants hereunder so long as compliance therewith is hindered, delayed, prevented or interrupted by force majeure. The term "force majeure", as used herein, shall mean and include state and federal statutes, all orders, rules and regulations of any governmental body (either federal, state or municipal) fire, storm, flood, war, rebellion, riots, strikes, differences with workmen, acts of God, breakage or failure of machinery or equipment, inability to obtain material or equipment or the authority to use the same (after effort in good faith), failure of pipe lines normally used to transport or furnish facilities for transportation or any other cause (whether similar or dissimilar) beyond the reasonable control of Lessee.

18. Lessee shall have the right at any time to release and surrender this lease as to all or any part of the leased premises by delivering to Lessor or placing of record a release or releases describing the lands desired to be surrendered and thereupon all obligations of Lessee hereunder as to such lands shall cease and delay rentals provided for herein shall thereafter be payable in the proportion that Lessor's interest in the oil, gas and other minerals remaining subject to the lease bear to the full fee simple interest in the oil, gas and other minerals in the entire leased premises, as above described.

19. All rental payments payable under this lease may be made to above named lessors, one of the above named Lessors in the manner herein stated.

20. This lease shall be binding upon any party subscribing the same regardless of whether such party is a named Lessor and regardless of whether all named Lessors sign.

21. The undersigned hereby release and waive all rights under the homestead exemption laws of the state in which the leased premises are located.

22. Covenants herein shall run with the land.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

*Frederick Guthrie*  
Frederick Guthrie

*Lola M. Guthrie*  
Lola M. Guthrie

STATE OF \_\_\_\_\_ } ss. **WYOMING ACKNOWLEDGMENT—CORPORATION**  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and official seal the day and year first herein written.

My commission expires \_\_\_\_\_, 19\_\_\_\_. \_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ } ss. **WYOMING ACKNOWLEDGMENT—INDIVIDUAL**  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person \_\_\_\_\_ described in and who executed the foregoing instrument and acknowledged that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

Given under my hand and official seal the day and year first herein written.

My commission expires \_\_\_\_\_, 19\_\_\_\_. \_\_\_\_\_  
Notary Public

STATE OF OREGON } ss. **WYOMING ACKNOWLEDGMENT—MAN AND WIFE**  
COUNTY OF MALHEUR

On this 1st day of April, 1960, before me personally appeared Frederick Guthrie and Lola M. Guthrie, husband and wife, to me known to be the person \_\_\_\_\_ described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed, including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and seal this 1st day of April, 1960

My commission expires:

7/1/63

*Denise J. Eastman*  
Notary Public