

AGREEMENT

MICROFILMED

THIS AGREEMENT, made and entered into this 30th day of October, 1957, betweenDr. S. M. Stewart and Ida J. Stewart, husband and wife,whose address is 320 Grand Avenue, Laramie, Wyoming, hereinafter referred to as "First Party", whether one or more, and RICHFIELD OIL CORPORATION, a Delaware corporation, whose address is 555 South Flower Street, Los Angeles 17, California, hereinafter referred to as "Second Party",

WITNESSETH:

THAT, WHEREAS, First Party is the owner of an offer to lease, or is the owner of an oil and gas lease, as the case may be, pursuant to the Act of Congress approved February 25, 1920 (41 Stat. 437), as amended, upon land belonging to the United States

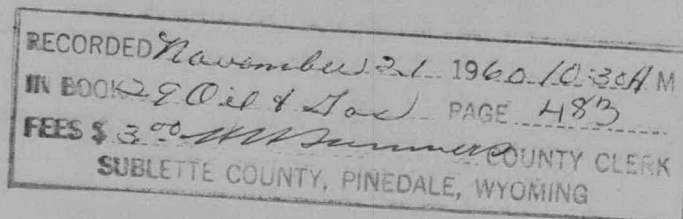
of America, bearing Serial Number WYOMING 044349, said offer to lease being hereinafter referred to as "said offer", and any oil and gas lease hereinabove described, and any oil and gas lease issued pursuant to said offer, and any such oil and gas lease the primary term of which is extended as provided for in said Act of Congress, being

hereinafter referred to as "said lease", embracing the following described land situated in the County of Sublette State of Wyoming, to wit:

Township 34 North, Range 115 West 6th P.M.Section 27: W $\frac{1}{2}$ Section 34: W $\frac{1}{2}$

containing 640 acres, more or less

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hereinafter referred to as "said lands";

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable considerations paid by Second Party to First Party, receipt of which is hereby acknowledged, and the mutual covenants and agreements herein contained, it is hereby agreed between the parties hereto as follows:

1. First Party hereby grants unto Second Party the exclusive right during the life of this agreement to make such geological or geophysical explorations of said lands as Second Party may desire to make, and as may be authorized under the terms of said lease.

2. First Party does hereby give and grant unto Second Party, his successors and assigns, the sole and exclusive right, privilege and option of purchasing and acquiring said lease, in so far as it covers said lands, by assignment. As used in this agreement "said lease" includes any lease above referred to in its extended term. Within ten (10) days after notice of exercise of said option First Party agrees to execute and deliver to Second Party, or his order, a good and sufficient assignment of said lease covering the lands as to which said option is exercised; provided that if said lease has not been issued at the time of the exercise of said option, First Party agrees to so execute and deliver said assignment within ten (10) days after said lease has been issued. Such assignment shall contain the following provisions:

(a) shall reserve unto First Party the same overriding royalty as the overriding royalty described in paragraph 19 hereof, subject to all of the provisions of subparagraphs (a), (b), (c), (d), (e), (f) and (g) of said paragraph 19;

(b) that Second Party shall have the right at any time to assign all or any part of his rights under such assignment;

(c) that should Second Party desire to surrender to the United States all or any part of said lease as to all or any legal subdivision of said lands covered by such assignment, Second Party at least thirty (30) days prior to the time for the payment of the next annual rental due under the terms of said lease, shall mail written notice by registered mail or

certified mail to Dr. S. M. Stewart,

whose address is 320 Grand Avenue, Laramie, Wyoming, hereinafter referred to as "Lessee", offering to reassign to Lessee that portion of said lands which Second Party desires to relinquish. If within thirty (30) days after the mailing of such notice, Second Party shall have received a notice in writing from Lessee that Lessee desires a reassignment of such lands, and shall also have received from Lessee an application from Lessee to the Bureau of Land Management for approval of such reassignment, containing a proper showing of Lessee's qualifications to receive such reassignment, together with any required bond, Second Party shall reassign such lands to Lessee and file such reassignment, application and bond for approval of said Bureau. Should Second Party not have received from Lessee the notice that Lessee desires a reassignment, and said application and said bond, within said time, or should the Secretary of the Interior refuse for any reason to consent to any such reassignment to Lessee, Second Party shall thereupon immediately have the right, regardless of the death or incapacity of Lessee, to surrender and relinquish said lease to the United States as to the lands specified in such offer, and shall be under no other or further obligation to First Party;

(d) the same warranty set forth in paragraph 9 hereof.

3. First Party does hereby give and grant unto Second Party, his successors and assigns, the further sole and exclusive right, privilege and option of purchasing and acquiring the sole and exclusive right of possession of said lands, or any part thereof, together with the full right and lawful authority to enter thereon for the purpose of exploring, drilling, mining, developing and operating said lands for oil and gas purposes, and producing, treating, handling and marketing all and any such minerals produced therefrom from the date of exercise of said option and thereafter for the full term of said lease, in so far as it covers said lands.

4. Upon the exercise of the option contained in paragraph 3 hereof, this agreement shall be considered and construed as, and shall automatically become, an operating agreement between First Party and Second Party; provided that if said lease has not been issued at the time of the exercise of the option contained in paragraph 3 hereof, during the period of time between said exercise of option and the issuance of said lease, this agreement shall be considered as an agreement to grant the operating rights referred to in paragraph 3 hereof, unto Second Party upon the issuance of said lease, and upon the issuance of said lease this agreement shall be considered and construed as, and shall automatically become, an operating agreement between First Party