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SECRETARY'S FILE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
GENERAL LAND OFFICE

Serial Evanston 022241

Lease of Oil and Gas Lands Under the Act of February 25, 1920, as Amended

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the day of AUG 1 1946
by and between the UNITED STATES OF AMERICA, party of the first part, hereinafter called the
lessor, by the Secretary of the Interior, and Grace Hull, 210 McIntyre Building,
Salt Lake City, Utah

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and
provisions of the act of Congress approved February 25, 1920 (41 Stat. 437), entitled "An Act to Pro-
mote the Mining of Coal, Phosphate, Oil, Oil Shale, Gas, and Sodium on the Public Domain," as amended,
hereinafter referred to as the Act, which is made a part hereof, WITNESSETH:

SECTION 1. *Rights of lessee.*—That the lessor, in consideration of rents and royalties to be paid, and
the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee
the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas
deposits in or under the following-described tracts of land not within the known geologic structure of any
producing oil or gas field and more particularly described as follows:

T. 28 N., R. 113 W., 6th P. M., Wyoming.

Section 22, Lot 1, N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Section 27, S $\frac{1}{2}$ SW $\frac{1}{4}$;
Section 34, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$.

containing 809.08 acres, more or less, together with the right to construct and maintain there-
upon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs,
tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of
five years, and so long thereafter as oil or gas is produced in paying quantities; subject to
any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of
said agreement to govern to the extent of the lands subject thereto where inconsistencies with the terms
of this lease occur.

SEC. 2. In consideration of the foregoing, *the lessee hereby agrees:*

(a) *Bond.*—To furnish prior to beginning of drilling operations and maintain at all times there-
after as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or
with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of
this lease; and, until such bond is furnished, to submit and maintain a bond in the sum of \$1,000 with
acceptable surety, similarly conditioned. The requirement made herein for the filing of a \$1,000 bond
shall apply only in those cases in which a bond is required by law for the protection of the owners of
surface rights. In all other cases the \$1,000 bond must be filed not less than 90 days before the due
date of the next unpaid annual rental, but this requirement may be successively dispensed with by mak-
ing payment of each successive annual rental not less than 90 days prior to its due date. In the absence
of the payment of the rental in advance as herein authorized, the requirement for the filing of the bond
within the time prescribed must be complied with strictly, and upon the failure of the lessee to comply
therewith the lease shall be subject to cancellation by the Secretary in accordance with the provisions
of the lease and the Act of February 25, 1920 (41 Stat. 437), as amended by the Act of August 21, 1935
(49 Stat. 674). Nothing herein contained shall operate to relieve the lessee from the obligation to
furnish a \$5,000 general lease bond prior to beginning drilling operations.

(b) *Cooperative or unit plan.*—Within 30 days of demand, or if the land is within an approved unit
plan, in the event such plan is terminated prior to the expiration of this lease, within 30 days of demand
made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the
development and operation of the area, field, or pool embracing the lands included herein as the Secre-
tary of the Interior may determine to be practicable and necessary or advisable, which plan shall ade-
quately protect the rights of all parties in interest, including the United States.

(c) *Wells:* (1) To drill and produce all wells necessary to protect the leased land from drainage by
wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate,
or in lieu of any part of such drilling and production, with the consent of the Secretary of the Interior,
to compensate the lessor in full each month for the estimated loss of royalty through drainage in the
amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and
produce other wells in conformity with any system of well spacing or production allotments affecting
the field or area in which the leased lands are situated, provided such system is authorized and sanc-
tioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing,
to drill and produce such other wells as the Secretary of the Interior may require to insure reasonable
diligence in the development and operation of the property.

In view of the President's Reorganization Plan No. 3 of 1946 and
Departmental Order No. 2225 of July 15, 1946, the words "General
Land Office," "Commissioner, General Land Office," and "Register,
District Land Office," should be construed to mean respectively
"Bureau of Land Management," "Director, Bureau of Land Manage-
ment," and "Manager, District Land Office."

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