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Producers 88—Revised
Wyoming (U)
(12-56)

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 19th day of APRIL, 1964, by and between

HERMAN A. GENETTI and IMOGENE GENETTI, his wife

of La Barge, Wyoming

CONSOLIDATED PETROLEUM COMPANY, a Nevada corporation, of Beverly Hills, Calif., hereinafter called lessee;

WITNESSETH: that lessor, for and in consideration of Ten and no/100----- DOLLARS (\$ 10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto said lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, powers, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of

Sublette and Lincoln

TOWNSHIP 26 NORTH, RANGE 114 WEST OF THE 6TH P. M.

SECTION 4: SW $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 5: Lots 1, 2, 3, 4, and S $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$

TOWNSHIP 27 NORTH, RANGE 114 WEST OF THE 6TH P. M.

SECTION 32: SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$

RECORDED May 4, 1964

9:00A

INDEXED

ABSTRACTED

PHOTOGRAPHIC RECORDED

of Section

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Township

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IN BOOK 65PR

PAGE 401

KEMMERER, Wyo.

382266 MacBride

RECORDING FEE ACCOUNT

to lease, and lessor does hereby lease, all of the lands or interests in lands owned by lessor which adjoin the lands above described or which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain

440 acres. 3.0 A.S. 9.0 A.R. 1.0 S.R.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ten (10) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from said leased premises or drilling operations are continuously prosecuted as hereinabove provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 60 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease, this lease shall not terminate if the lessee is then prosecuting drilling operations, or within 60 days after each such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

In consideration of the premises, lessee covenants and agrees:

1st. To deliver, free of cost, to lessor at the wells, or to the credit of lessor in the pipeline to which the wells may be connected, the equal one-eighth (1/8) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at lessee's option, to pay to lessor for such one-other liquid hydrocarbons are run from the lease stock tanks.

2nd. To pay lessor one-eighth (1/8) of the proceeds received by lessee at the well for all gas (including all substances contained in such gas) produced from the leased premises and sold by lessee; if such gas is used by lessee off the leased premises or used by lessor for the manufacture of casinghead gasoline or other products, to pay to lessor one-eighth (1/8) of the prevailing market price at the well for the gas so used.

If no well be commenced on said land on or before one year from the date hereof, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone in his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the

First National Bank of Kemmerer

Bank at Kemmerer, Wyoming

(which bank and its successors shall continue as the depository regardless of changes in the ownership of said land or of the right to receive rentals), the

sum of Four Hundred Sixty and no/100----- DOLLARS (\$ 460.00), which shall

operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payment of rentals, the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to such deceased or to his

successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the

wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), lessee shall be

unconditionally obligated to pay to such lessor the rental properly payable for the rental period involved, but this lease shall be maintained in the same

30 days after receipt by lessee of written notice from such lessor of such error accompanied by any documents and other evidence necessary to enable

lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first

rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be completed as a dry hole, then, and in that event, if a second well is not commenced on

paragraph the period of time extending from the date of this lease to the first rental date shall be considered as a rental period for which rental has been paid, this lease shall terminate as to both parties, unless lessee on or before the expiration of said 12 months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals, as above provided, the last preceding

paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in rental payments.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products, nevertheless such shut-in well shall be deemed to be a well on the before or after the expiration of the primary term hereof. Lessee shall use reasonable diligence to market gas or gas and gas-condensate capable of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in lessee's judgment, are unsatisfactory. Lessee shall be obligated to pay or tender to lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, an amount equal to the annual delay rental herein provided applicable to the interest of lessor in acreage embraced in this lease as of the end of such annual period, or, if this lease does not provide for any delay rental, then the sum of \$50.00; provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if, obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, lessee shall not be required to pay or tender, for that particular annual period, said sum of money. 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