

## OIL AND GAS LEASE

PRODUCERS 88 REVISED

**Agreement,** Made and entered into the 24th day of June, 1964,  
by and between Robert O'Neil

of Big Piney, Wyoming, hereinafter called  
lessor (whether one or more), and The Pure Oil Company of 1700 Broadway, Denver,  
Colorado, hereinafter called lessee:

**Witnesseth:** That the said lessor, for and in consideration of Ten Dollars,  
cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained  
on part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, de-  
mise, lease and let unto the said lessee for the sole and only purpose of exploring by geophysical and other methods, mining  
and operating for oil, gas, casinghead gas, casinghead gasoline and of laying of pipe lines, and of building tanks, powers,  
stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the

County of Sublette State of Wyoming Described as follows, to-wit:  
SW<sub>1/4</sub>

of Section 11 Township 34N Range 112W and for rental paying purposes estimated to contain 160.00 acres, whether more or less;  
and it is the intention of Lessor, and Lessor does hereby enlarge the above specific description to cover and include and does hereby grant, lease  
and let not only the above described land, but in addition thereto, also all of the land owned or claimed by Lessor, by limitation or otherwise, ad-  
joining or contiguous to, said above particularly described land, whether the same be under fence, or in said section or sections, or in adjacent sections.  
It is agreed that this lease shall remain in force for a term of five years from this date, referred to as primary term and as long thereafter as oil,  
gas, casinghead gas, casinghead gasoline, or either of them is produced from said land, or from lands with which said land is pooled or operations  
are continued as hereinafter provided.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal 15 1/2%  
of all oil produced and saved from the leased premises.

2nd. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other  
product as royalty 15% of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 15% of the proceeds  
of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 15% of the proceeds from the sale of gas as such at the mouth of  
the well where gas only is found and where such gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during  
which such gas is not sold or used as royalty, an amount equal to the delay rental provided in the next succeeding paragraph hereof, and while  
said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the lessor to have gas free  
of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own con-  
nections with the well, the use of such gas to be at the lessor's sole risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a  
royalty of 15% of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

If no well be commenced on said land, or on acreage pooled therewith as hereinafter provided, on or before one year from the date hereof,  
this lease shall terminate as to both parties, unless the lessee shall on or before that date pay or tender to the lessor or to the lessor's credit in the

State Bank of Big Piney Bank at Big Piney, Wyoming  
or its successors which shall continue as the depository regardless of changes in the ownership of said land, the sum of (\$160.00).

One Hundred Sixty and No/100 dollars,  
which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like  
manner and upon like payments or tenders, the commencement of a well may be further deferred for like periods of the same number of months  
successively. And it is understood and agreed that 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 the lessee's option of extending that period as aforesaid, and any and all other  
rights conferred.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with  
other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly  
develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from  
said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an  
oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the convey-  
ance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire  
acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it  
were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the  
well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on pro-  
duction from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty  
interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Should any well drilled on the above described land, or on acreage pooled therewith during the primary term and prior to production being  
obtained, be a dry hole, or if, after production is obtained, the same should cease from any cause during the primary term, then if a further well is  
not commenced on said land, or on acreage pooled therewith or reworking operations to restore such production have not been commenced, prior to  
the next ensuing rental paying date, this lease shall terminate as to both parties, unless the lessor on or before such rental date shall resume the  
payment of rentals, in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment  
of rentals as above provided, that the provisions hereof governing the payment of rentals and the effect thereof, shall continue in force just as though  
there had been no interruption in the rental payments, and if the lessee shall commence to drill a well within the primary term of this lease on the  
land above described, or on acreage pooled therewith, the lessor shall have the right to drill such well to completion with reasonable diligence and  
dispatch, and if oil, gas, casinghead gas, casinghead gasoline, or either of them, be found in paying quantities, this lease shall continue and be in  
force with like effect as if such well had been completed within the primary term. Should production from the above described land, or from acreage  
pooled therewith, cease from any cause after the expiration of the primary term this lease shall not terminate provided lessee succeeds in bringing  
back such production within six (6) months from such cessation, or within such six (6) month period commences drilling another well on the above  
described land or on land pooled therewith, and prosecutes the drilling thereof with due diligence to completion, and if such production is restored  
through any such operations this lease shall continue with the like effect as if there had been no cessation thereof.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and  
rentals herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However,  
such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the  
wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove  
casing.

If the estate of either party hereto is assigned—and the privilege of assigning in whole or in part is expressly allowed—the covenants hereof  
shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land, or assignments of rental or  
royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and  
it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees  
of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not  
operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make  
due payment of said rental. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the  
assigned portion or portions arising subsequent to the date of assignment. Lessee may at any time surrender this lease in whole or in part by mailing  
a release to lessor or placing a release of record in the proper county and shall thereupon be relieved of all obligations hereunder except as to any  
part retained.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this  
lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented  
by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any  
time to redeem for lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by  
lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors, and assigns,  
hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may  
in any way affect the purposes for which this lease is made, as recited herein.

IN TESTIMONY WHEREOF WE SIGN as of the day and year first above written.

87118

RECORDED *June 25, 1966 9:08 AM*  
IN BOOK 38 OIL & GAS PAGE 131  
FEES \$ 150.00 *RECORDED* COUNTY CLERK  
SUBLETTE COUNTY, PINEDALE, WYOMING

Robert O'Neil

*Robert O'Neil*