

JUN 9 1969

Producers 88—Revised
N. D. and S. D.
(10-56)

19 69 by and between

THIS AGREEMENT, made and entered into this 3rd day of June

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, by and between _____, of the County of _____, State of _____, and _____, of the County of _____, State of _____, do hereby certify that _____, a widower

of Ola, Arkansas hereinafter called lessor (whether one or more), and
Depco, Inc., 1025 Petroleum Club Bldg. of Denver, Colorado hereinafter called lessee;
Ten and other - - - - - DOLLARS (\$ 10.00)

WITNESSETH: that lessor, for and in consideration of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets in hand paid, receipt of which is hereby acknowledged, and of the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, exclusively unto said lessee the lands hereafter described for the purpose of prospecting, casinghead gas, casinghead gasoline, gas-condensate (distillate) and operating for and producing oil or gas, or both, including, but not as a limitation, with the right to construct and maintain pipe lines and electric lines, telephones, telegraphs, power lines, and other structures thereon to produce, save and take care of said oil and gas, and the exclusive any substances, whether oil, gas, or both, produced in a gaseous state, and all 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 lands 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 _____, State of _____, and being described as follows, to-wit:

Sublette

Township 38 North, Range 113 West

Section 22: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

Section 23: $W\frac{1}{2}NW\frac{1}{4}$

of Section ~~XXXXXXXX~~, Township ~~XXXXXXXX~~, Range ~~XXXXXXXX~~, it being the purpose and intent of lessor 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, and the same are deemed to contain 320.00 acres.

For all purposes of this lease, said lands shall be deemed to contain 320.00 acres.

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 hereinafter 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 as "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 continuously produced from the premises but lessor 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 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:

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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-eighth (1/8) royalty the market price at the well for such oil and other liquid hydrocarbons of like grade and gravity prevailing on the day such oil and other liquid hydrocarbons are run from the lease stock tanks.

2nd. To deliver to lessor, at the well, the proceeds received by lessee at the well for all gas (including all substances contained in such gas) produced from the leased premises, less the expenses incurred by lessee in the production and transportation of such gas, and the proceeds received by lessee for the manufacture of casinghead gas from the leased premises.

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 lessee for the manufacture of casinghead gas or other liquid hydrocarbons, to pay to lessor one-eighth (1/8) of the prevailing market price at the well for the gas so used.

Bank at Danville, Arkansas

First State
(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 Three Hundred Twenty and no/100 DOLLARS (\$ 320.00), 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 payments or tenders, 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 check or draft in any post office, addressed to the depository bank or lessor (at his last known address as shown by lessee's records) on or before the rental 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 credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and 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 according to lessee's records or to a lessor who, prior to such attempted 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 manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit be corrected within 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.

[illegible][illegible]

If lessor owns a less interest in the land covered by this lease than the entire and undivided fee simple mineral estate therein, then whether or not such less interest is referred to or described herein, all rentals and royalties herein provided shall be paid lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

[illegible][illegible]

Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interests therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the lessees thereof), when in lessee's judgment it is necessary or advisable in order to produce, conserve, develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any governmental agency having control over such matters. Any pooling hereunder may cover all oil and gas, or any one or more of the substances covered by this lease, and may cover one or more or all zones or formations underlying all or any portion or portions of the leased premises. No pooling shall exceed 40 acres (plus a tolerance of 10%) for any other substance covered by this lease; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is located, or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of allowable. The pooled area and the zones or formations and substances pooled shall be set forth by lessee in a "declaration of pooling" filed for record in the county where pooled and the zones or formations and substances pooled shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In lieu of the royalties elsewhere herein specified, except shut-in gas well royalties, lessor shall receive on production from an area so pooled only such portion of the royalties which, in the absence of such pooling, would be payable hereunder to lessor on production from the land covered by this lease which is placed in the pooled area as the amount of the surface acreage in the land covered by this lease which is placed in the

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