

In the interests of conservation, Lessee is hereby granted the right, during the primary term hereof, to pool all or part of the leased premises (or any stratum or strata underlying all or any part of the leased premises) with other lands, all lands so pooled to comprise a drilling unit; provided, however, that no such drilling unit shall contain a surface area in excess of approximately 640 acres if the drilling unit is for gas production or 40 acres if the drilling unit is for oil production unless an advantage in allowable can be obtained by reason of a larger area, in which case each such drilling unit may contain such maximum area on which such allowable advantage can be obtained. In the event any such drilling unit is created or, having been created, is thereafter changed, Lessee shall, within a reasonable time thereafter, record a written statement designating and describing the lands included within such drilling unit and the interests affected thereby and furnish Lessor with a copy of the written statement so recorded. In the event of such pooling by Lessee, production from any well within such drilling unit from the formation for which such unit is formed shall be deemed allocated on an acreage basis to lands within such drilling unit and production so allocated to the leased premises covered hereby shall, for all purposes of this lease, be deemed produced from the leased premises; conversely, production allocated to other lands within such drilling unit shall be deemed produced from such other lands and not from the premises covered hereby. Operations on any lands within any such drilling unit capable of producing from the formation for which such unit is established, this lease shall remain in effect as if such shut-in well were on the leased premises and any royalty payable on account thereof shall be the same as if such well were located on the leased premises. If the drilling unit is contracted, there shall be no retroactive accounting for royalties.

14. This lease shall never be forfeited or cancelled for breach of implied covenant until it shall have been finally judicially determined that such breach exists and Lessee shall have failed within a reasonable time of such final determination, to remedy such breach.

15. Lessor warrants and agrees to defend the title to the lands hereinabove described. Lessee at its option may pay and discharge any taxes, mortgage or other liens existing, levied or assessed on or against the above described lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

It is Lessor's expressed intent to lease hereunder all of the interest which he may now or from time to time hereafter during the term of this lease hold or claim in the oil, gas, and other minerals in, under, or that may be produced from the described premises whether or not such interest is presently vested in Lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by Lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by Lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided in Section 6 with respect to change in ownership of leased premises.

16. Lessee hereby is given the right to acquire for its own benefit deeds, leases, or assignments covering any interest or claim in the leased premises which Lessee or any other party contends is outstanding and is not covered hereby and even though such outstanding interest or claim be invalid or adverse to Lessor.

17. This lease shall not expire, terminate or be forfeited in whole or in part nor shall Lessee be liable in damages for failure of Lessee to comply with any express or implied covenants hereunder so long as compliance therewith is hindered, delayed, prevented or interrupted by force majeure. The term "force majeure", as used herein, shall mean and include state and federal statutes, all orders, rules and regulations of any governmental body (either federal, state or municipal) fire, storm, flood, war, rebellion, riots, strikes, differences with workmen, acts of God, breakage or failure of machinery or equipment, inability to obtain material or equipment or the authority to use the same (after effort in good faith), failure of pipe lines normally used to transport or furnish facilities for transportation or any other cause (whether similar or dissimilar) beyond the reasonable control of Lessee.

18. Lessee shall have the right at any time to release and surrender this lease as to all or any part of the leased premises by delivering to Lessor or placing of record a release or releases describing the lands desired to be surrendered and thereupon all obligations of Lessee hereunder as to such lands shall cease and delay rentals provided for herein shall thereafter be payable in the proportion that Lessor's interest in the oil, gas and other minerals remaining subject to the lease bear to the full fee simple interest in the oil, gas and other minerals in the entire leased premises, as above described.

19. All rental payments payable under this lease may be made to the above named Lessors in the manner herein stated.

20. This lease shall be binding upon any party subscribing the same regardless of whether such party is a named Lessor and regardless of whether all named Lessors sign.

21. The undersigned hereby release and waive all rights under the homestead exemption laws of the state in which the leased premises are located.

22. Covenants herein shall run with the land.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

ATTEST:

By:

Secretary

Carney Land Company

, one of

CARNEY LAND COMPANY,  
a Wyoming corporation

By:

President

STATE OF

ss.

COLORADO, NEW MEXICO, WYOMING  
ACKNOWLEDGMENTS—INDIVIDUAL

COUNTY OF

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

Witness my hand and official seal.

My commission expires \_\_\_\_\_, 19\_\_\_\_.

Notary Public

STATE OF

Wyoming

ss.

WYOMING  
COLORADO ACKNOWLEDGMENT—CORPORATION

COUNTY OF

Sublette

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of May, 1972, by

John Otis Carney

, as

President of Carney Land Company

a Wyoming

corporation.

Witness my hand and official seal.

My commission expires Oct 20, 1975.

Notary Public

STATE OF

ss.

NEBRASKA ACKNOWLEDGMENT—INDIVIDUAL

COUNTY OF

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me,

personally came the above named \_\_\_\_\_, who is personally known to me to be the identical person whose name is affixed to the above instrument, and acknowledged the instrument to be his voluntary act and deed.

Witness my hand and seal of office at \_\_\_\_\_, the date aforesaid.

My commission expires \_\_\_\_\_

Notary Public

STATE OF

ss.

NEBRASKA ACKNOWLEDGMENT—CORPORATION

COUNTY OF

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, a notary public in and for said county, personally

came the above named \_\_\_\_\_, President, and \_\_\_\_\_, Secretary of

who are personally known to me to be the identical persons whose names are affixed to the above instrument as \_\_\_\_\_ President and \_\_\_\_\_ Secretary of said corporation and acknowledged the instrument to be their voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and seal of office at \_\_\_\_\_, the date aforesaid.

My commission expires \_\_\_\_\_

Please Return To:  
Continental Oil Company  
Mineral Lease Records  
P. O. Box 1237  
Ponca City, Oklahoma 74601

Notary Public