PHRODUCERS BOCS S	•			140
CIL	SMD GAS	LEASE 6	120	KINTZEL'S CASPER
AGREEMENT, Made and entered into this 22nd	day etJan	narv		HAUTHERNE DEAN HURER
by and between Y. D. CHILIS INC.	E 1.17 No.	TO DO Res	orded at request of	HALLANDA
245 fast 2nd North Street	Vara	75719	OH CLUST M DOE	DEAL HURED
Springville, Utah 84663	Wasalch Co	bunly, Racordar I	y LINUHKKAI	MER
The state of the s	Daputy Ecc.	179	Pegs 199-9	DEAN HUBER MER - FEETIL
The second secon	war Portly of the	he Grat nart horains	fter colled large full	.1
touthorn Oil Company, P.O. Pox 2693, Ca	SUPP Suppling	- P2602 - 2555		
he paid, kept and performed, has granted denied, based a its successors and assigns for the sole and an expanses of for oil and gas, and laying pipe lines, and address the analysis	ing of the coordines and let and by these surveying by geologi was stations and street	and agreements ne presents does gran- cal, geophylical an	reinaltes contained on , demise, lease and le 6 all other methods,	the part of lessee to t unto the said lessee, mining and operating
ell that certain tract of lend, together with the contract of the ch	us therein, situate in	the Contra of	Wagatch	care of said products,
State of Utsh are their as fello	No. 15. 201 201	manus DelCity	-00 10 11 11 11 11 11 11 11 11 11 11 11 1	TOO COLUMNA
State of Utah SOUTE, RUGE 10 MEST U.S.M.		THE DITTLY	int int the JH	#Want + Misis
2400100 8	SECTION 26: 17	ENGEL STOPE	Easua, Marsea	9494
SECTION 17: MANTA NEW PARTY.	SECTION 27: N	NEA SYANGE	, Lie, Sissin	<u> </u>
SHOUTON 23: Ness, GUESTL SE-SE.	SECTION 28: W	ANNA. Sa.	SECTION 35:	
	SUCULTON 30. V	17	OTOMOTON OF	. 1

STOTION 33: E. Baile. SECTION 34: All. Lead produced to the same of particles of the same of the same

First. The lessee shall deliver to the credit of lesson as rayalty, free of cost in the pipe line to static lesson ray connect its wells, the equatione-eighth part of all oil produced and saved from the leased premise for at lessee's option and buy or sell and the eighth royalty and pay lessor the market price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipe these or into storage tanks.

Second. To pay lessor one-eighth (1/2) of the proceeds received for gas soil from each well where gas only is found, or the market value at the well of such

gas used off the premises, and lessor to have gas free of cost from any web for all stores and an inner lights in the principal dwelling house on such land during the same time by making his own connections with the weil make over all and expense.

Third. To pay lessor one-eighth (1/4) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas.

If no well be commenced on said land on or before the 22nd day of January 1980, this lease shall terminate

as to both parties, unless the lessee on or before that date shall pay or sensor to the lesser's credit in the......

Central Rent & Trust Congany

fack at Springville, Utah 84663

or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ewnership of the said land, the sum of **FOOR T.CUSAND ONE HUNDRED TWENTY**

DOLLARS,

which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve 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, opera not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as effects and any and all other rights conferred. Rentals may be paid by check or draft and may be remitted by mail. Mailing of rental on or before the rental-paying date shall be deemed a timely tender thereof and shall preclude termination of this lease. Notwithstanding the seath of the lesson, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and suministrators of such person.

Should any well drilled on the land above described be a dry hole or cease to produce and there are no other producing well or wells on the land or drilling operations are not being conducted thereon, then and in that event if a well is not commenced before the next ensuing rental-paying date after the expiration of ninety (90) days from the date of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of ninety (10) days from the date of the completion of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided, and it is agreed upon resumption of the payment of rentals, as above provided, the last preceding paxel sph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to ninety (90) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term. If, after the expiration of the primary term hereof, production shall cease from any cause, this lease shall not terminate if lessee resumes operations for the drilling of a well or restoration of production within ninety (90) days from such cessation, and this lease shall remain in force and effect during the prosecution of such operations and, if production results therefrom, then as long thereafter as such production continues.

If at any time, either before or after the expiration of the primary term of this lease, there is any was well on the lands covered hereby, or on

If at any time, either before or after the expiration of the primary term of this lease, there is any gas well on the lands covered hereby, or on other lands with which said lands are pooled or unitized, which is capable of producing in paying quantities, but which is shut in either before or after production therefrom, and the production therefrom is not being said or used, lessed agrees to pay or tender to the mineral owners in the depository bank named in the lease, as royalty, a sum equal to the amount of delay rentals payable under this lease. Such payments shall be made on or before the shut-in royalty payment date, as herein defined, next accruing after the expiration of ninety (90) days from the date the well was shut-in, unless prior to such date gas from the well is produced and sold or used. In like manner, on or before each succeeding shut-in royalty payment date while such gas well remains shut-in, lessee shall make payment of shut-in gas royalty in the same amount and menner. A shut-in gas well capable of producing in paying quantities shall be considered under all provisions of this lease as a producing well and this lease shall be in force and effect in like manner as though the gas therefrom were actually being produced and sold or used. The term "gas well" shall include we'ls capable of producing natural gas, condensate, distillate, or any gaseous substance, and wells classified as gas wells by any governmental authority. The term "shut-in royalty payment date" shall mean any rental-paying date of this lease if within the primary term, or any subsequent anniversary thereof, if after the primary term, or any anaiversary date of this lease if no rental-paying date is specified herein.

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 shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred 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 its operations thereon, except water from wells and reservoirs of lessor. 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.

Lessee shall pay for damages caused by its operations on said lands. When requested by the lessor, lessee shall burn his pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall have the right to drill to completion with reasonable diligence and dispatch (1) any well commenced within the term of this lease and (2) any well commenced before the completion of a well which has been commenced within such term. If oil and gas or either of them be found in paying quantities in any such well, this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein first mentioned.

Lessee is hereby granted 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 vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advanced to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not excercing in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well, or 40 acres each for the production of oil, or 640 acres each for the production of gas, whichever is the larger, plus a tolerance over the maximum area of 40 acres for the production of oil or 640 acres for the production of gas to include additional acreage in any irregular governmental subdivision or lot or portion thereof. Such pooling shall be effected by Lessee's executing and filing in the office where this lease is recorded an instrument identifying and describing the pooled acreage. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation on the leased premises under the terms of this lease. The royalties herein provided shall accrue and he paid to Lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit hears to the total acreage in the least of either native hearts in evidence of acciering in whole or in part is expressly ellowed, the covenants hereof shall

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 assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or 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 to so fat as a part or parts of said lands which the said any assignee thereof shall make due payment of the payment of this lease, and it is hereby any assignee thereof shall make due payment of the payment of this lease.

On its ract, shall as to the extent of such assignment of discharge the lessee of all obligations.

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State legislative authority, or with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, torfeiture, reversion or revesting of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the basis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lessee or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith. inconsistent therewith,

Lessee may at any time surrender this lease, in whole or in part, by delivering or mailing a release to the lessor, or by placing a release of record in the proper county. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

Lessor hereby releases and relinquishes any right of homestead, dower or curtesy they or either of them may have in or to the leased land.

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 mortgage, 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.

This lease and all its terms, conditions and stipulations binds each executing lessor and shall extend to and be binding on his assigns, heirs and devisees and successors, and those of the lessee, though unsigned by other lessors named herein.

IN WITNESS WHEREOF, We sign the day and year first abov	M. D. CHILDS THE
(SEAL)	(SEAL)
Chitast of automal N Challes Cons.	By: pl. 201 Child (Fra) (SEAL)
Faurine D. Childs - Secretary (SEAL)	John M. Childs - President (SEAL)
STATE OF Uta h	Arizona, Colorado, Idaho, Kansas, Mantana
COUNTY OF Utah ss.	Nebraska, Nevada, New Mexico, North Dakota. South Bakota, Utah, Wyoming ACKNOWLEDGMENT — INDIVIDUAL
BEFORE ME, the undergened, a Notary Public, in and for said Co Januray , 1979 , personally appeared Mau	ounty and State, on this 23rd
	to me known to be the identical person _S
described in and who executed the within and foregoing instrument of wi executed the same as	riting and acknowledged to me that They
IN WITNESS WHEREOF, I have hereunto set my hand and affixed My Commission Expires March 18, 1979	
my Commission Expires Platett 10, 1979	Notary Public
<u>and the second of the second </u>	Arizona, Colorado, Idaho, Kansas, Montana
STATE OF SS.	Nebraska, Nevada, New Mexico, North Dakota.
COUNTY OF	South Dakota, Utah, Wyoming ACKNOWLEDGMENT — INDIVIDUAL
BEFORE ME, the undersigned, a Notary Public, in and for said Co	ounty and State, on this, day of
, 19 personally appeared	oay of
	, to me known to be the identical person
described in and who executed the within and foregoing instrument of wr	citing and acknowledged to me that
executed the same asfree and voluntary act and deed IN WITNESS WHEREOF, I have hereunto set my hand and affixed	d for the uses and purposes therein set forth.
My Commission Expires	
	Notary Public
Section Township Range County County Term STATE OF This instrument was filed for record on the day of the recorded in Book Page of the records of this office. County Clerk—Register of Deeds. By Deputy. When Recorded Hawthorn Oil Company Return to Cosper, Myorning 82402	OIL AND GAS EEASE FROM FROM TO Dated Block Addition 19
	The state of the s
STATE OF	Antinone New Manter Visit W
1 000	Arizona, New Mexico, Utah, Wyoming ACKNOWLEDGMENT — CORPORATION
COUNTY OF Lasaton	
On this 22ndday of January , 1979	, before me appeared John M. Childs
taran da araba da ar	ly known, who, being by me duly sworn, did say that he is
President of The TNC	and that the seal affixed to the foregoing
instrument is the corporate seal obsaid corporation; that said instrument wa	as signed and sealed in behalf of said corporation by authority of its Board of
Directors; and said Childs	acknowledged said instrument to be the free
act and deed of said corporation	
WITNESS my hand and official seal the day and year last above w	vritten.
My Commission Expires	

Notary Public

110150