

X

RIGHT-OF-WAY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT THE UNDERSIGNED, FLYING DIAMOND OIL CORPORATION, a Utah corporation (hereinafter called "Grantor"), for the sum of Ten Dollars and other consideration in hand paid by AMERICAN QUASAR PETROLEUM CO. OF NEW MEXICO, the receipt of which is hereby acknowledged, does hereby grant and convey without warranty unto AMERICAN QUASAR PETROLEUM CO. OF NEW MEXICO, a corporation organized under the laws of the State of New Mexico (hereinafter called "Grantee"), its successors and assigns, a non-exclusive easement and right-of-way over, through, under and across the following described lands situated in Summit County, Utah ("subject lands"):

A strip of land 20 feet in width, being 10 feet on each side of the center line as shown highlighted in red on the plat marked Exhibit "A", attached hereto and made a part hereof, insofar as said plat relates to the S $\frac{1}{2}$ of Section 4, Township 2 North, Range 7 East, Salt Lake Base and Meridian, containing approximately 4,056.97 feet. (245.88 Rods)

Grantee shall have the right, either as a common or private carrier, from time to time, to lay, construct, reconstruct, replace, renew, operate, maintain, repair, change the size of, and remove pipes and the pipelines, valves, fittings, and other equipment appurtenances as may be necessary or convenient for the transportation of oil, petroleum, or any of its products, gas, water and other substances, or any thereof, over, through, under and across the subject land. This easement and right-of-way is restricted to the construction, maintenance, and use of three pipelines in accordance with the terms hereof, which pipelines shall consist of one oil pipeline, one gas pipeline, and one water pipeline. The pipelines must be laid in a ditch which shall not be more than three (3) feet in width. Grantee agrees to bury the pipelines a minimum of three (3) feet below the surface and to bury the pipeline below plow depth on normally cultivated land.

Together with rights of egress and ingress to and from said pipelines or equipment appurtenances for the purpose aforesaid; and as to the rights hereby granted, all rights of homestead are hereby released and waived. Grantor shall have the right of use and full enjoyment of the subject land so long as such use does not interfere with the rights of Grantee granted herein. Grantee acknowledges Grantor's intent to develop the subject lands at a future date. Should Grantor determine that the pipelines will interfere with Grantor's planned development, Grantee shall move the pipelines to a new location at its sole cost and expense. Grantor shall grant a right-of-way to Grantee to the new location of Grantor's choice, which right-of-way shall contain the same terms and conditions contained herein, except that no new consideration shall be paid to Grantor and no provisions for moving the pipelines shall be included. The Grantee shall not be required to move the pipelines more than once.

Grantee, its successors and assigns, hereby agrees to pay any damages which may arise to crops, timber, fences or buildings, of said Grantor from the exercise of the rights herein granted, said damages, if not mutually agreed upon, to be ascertained and determined by three (3) disinterested persons, one thereof to be appointed by the Grantor, one by the Grantee, or

Entry No.	1A3756	Book	79107
RECORDED	1-16-78	at	10:24 AM Page 738-41
REQUEST of	American Quasar Pet.		
BY	WANDA Y. SPRINGER & SONS INC CO. RECOR		
FEE	7.00	Wanda Y. Springer	
INDEXED	ABSTRACT		

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its successors or assigns, and the third by the two so appointed, and the award of such three persons, or any two of them, shall be final and conclusive. The cost of such arbitration shall be borne equally by Grantor and Grantee. Grantee agrees to save and hold Grantor harmless from the claims and demands of all persons whomsoever for all damages caused by or resulting from Grantee's use and exercise of the rights granted herein. Grantee hereby waives and releases Grantor from all claims of damages to the pipelines, appurtenant equipment, and maintenance equipment caused by cattle, sheep or other domestic livestock operation and farming except for damage intentionally caused.

Grantee shall have the right to assign all or any part of the rights granted herein.

The easement and right-of-way shall continue in force so long as said lands are used for maintenance and operation of such pipelines or appurtenances, but should such use terminate and Grantee, its successors or assigns, fail to use the pipelines or appurtenances for a period of twelve (12) consecutive calendar months, this easement and right-of-way shall terminate, cease and be nullified as fully and effectually as though this instrument had never been subscribed and delivered. In such event, Grantee, its successors or assigns, may remove its pipelines and all of its fixtures, appurtenances and other property within said right-of-way, and shall remove the same within three (3) months after Grantor shall mail Grantee, its successors or assigns, a written request therefor, in default of which said pipelines and all of the other property of Grantee, its successors or assigns, within said right-of-way shall become and remain the property of Grantor, and Grantee, its successors or assigns, shall have no further rights thereto. Grantee, its successors or assigns, after such removal, shall restore the ground surface to its present condition as near as practicable and pay all damages caused Grantor thereby, subject to arbitration as provided above.

This easement and right-of-way shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Grantor and Grantee have executed this Agreement this 4th day of January, 1978.

FLYING DIAMOND OIL CORPORATION

By: [Signature]
H.P. McLish - President

AMERICAN QUASAR PETROLEUM CO. OF
NEW MEXICO

By: [Signature]
James H. Dickson - Vice President

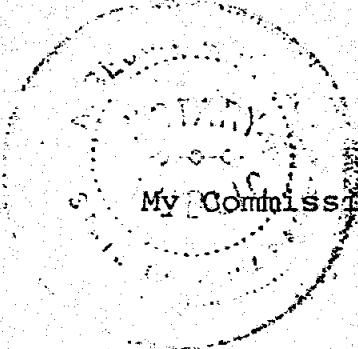
ATTEST:
By: [Signature]
Assistant Secretary
(SEAL)

ATTEST:
By: [Signature]
Assistant Secretary
(SEAL)

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STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

On the 9th day of January, ¹⁹⁷⁷1977, personally appeared before me H.P. McLish, who being by me duly sworn, did say that he is the President of Flying Diamond Oil Corporation, and that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors, and the said H.P. McLish duly acknowledged to me that said corporation executed the same.



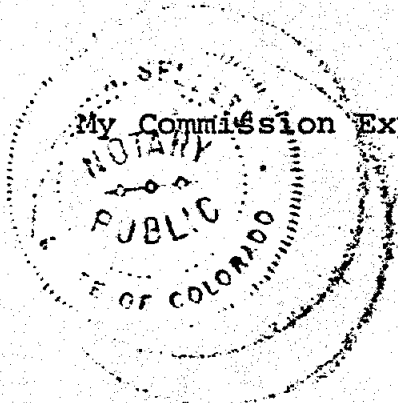
[Signature]
Notary Public

My Commission expires March 5, 1978

My Commission Expires: _____

STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

On the 4th day of January, ¹⁹⁷⁸1978, personally appeared before me James A. Hurston, who being by me duly sworn, did say that he is the Vice President of American Quasar Petroleum Co. of New Mexico, and that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors, and the said James A. Hurston duly acknowledged to me that said corporation executed the same.



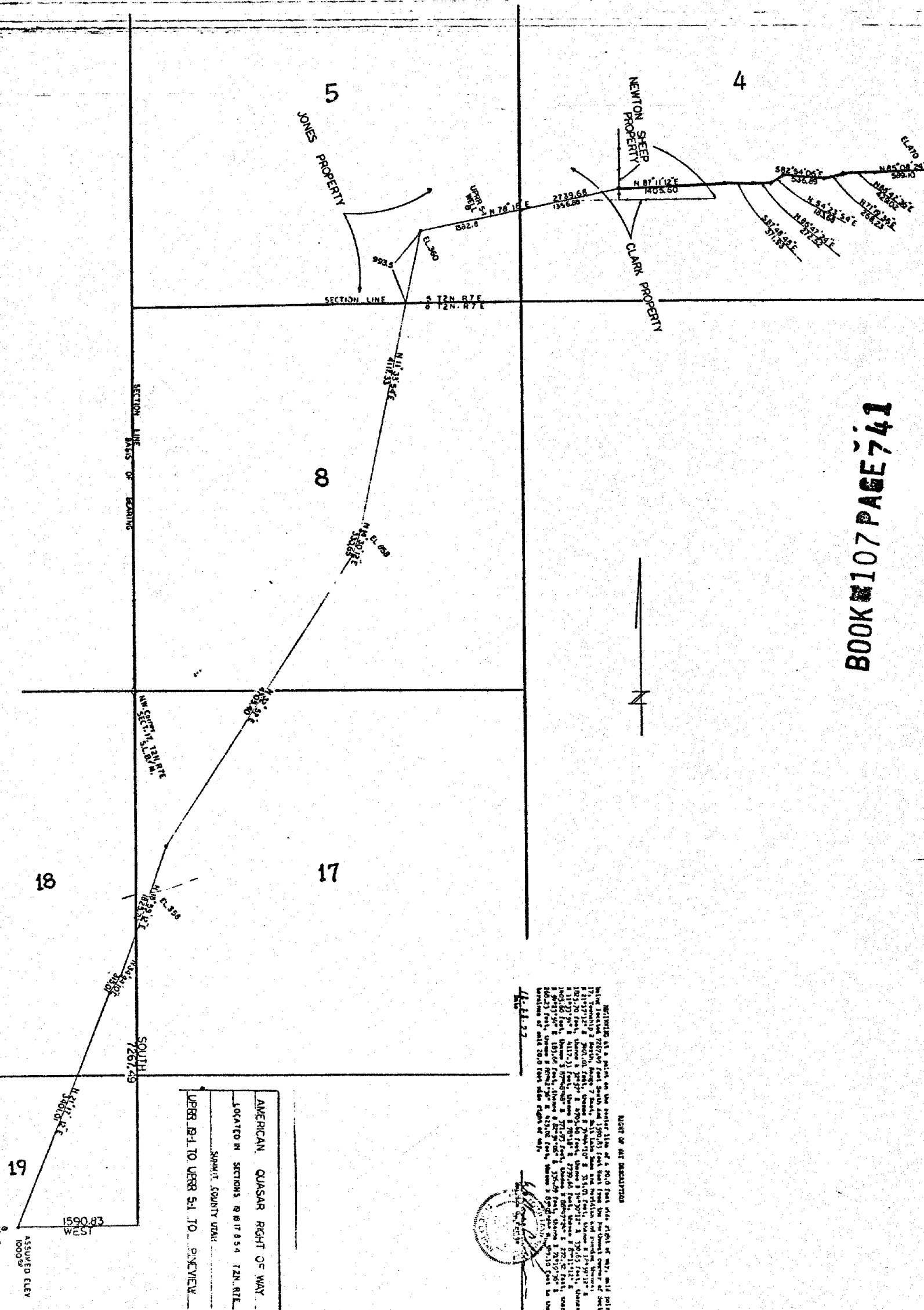
[Signature]
Notary Public

My Commission Expires: May 25, 1980

My Commission Expires: _____

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EXHIBIT "A"



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As 11-27

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

NOTARY PUBLIC

[Signature]

NOTARY PUBLIC

AMERICAN QUASAR RIGHT OF WAY
 LOCATED IN SECTIONS 8 & 17 S 4 T 2 N R 12 E
 SOUTHWEST CORNER UTAH
 COUNTY OF SUMMIT UTAH
 UEBER 84.1 TO UEBER 54.1 TO PINEVIEW

1590.83
 ASSURED ELEV
 1500'S
 UEBER 84.1