

LEASE.

17792e .

This Agreement made and entered into this 27 day of January 1923, by and between J. W. Farnsworth, of Ogden, Utah, State of Utah, party of the first part, and the Lakeside Oil Company, a Corporation of Brigham City, party of the second part.

Witnesseth:

That for and in consideration of the sum of one dollar to it in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements on the part of the second party hereinafter contained, the party of the first part hereby grants to the party of the second part, its heirs and assigns, the exclusive right to enter upon that certain tract of land situated and being in Box Elder County, Utah, for the sole and only purpose of operating for gas, oil, petroleum or other valuable mineral, with sole and exclusive right unto the said second party to drill and operate for oil, petroleum and gas, to lay and maintain pipe lines on or over said land and ^{to} erect and maintain buildings, structures and lines necessary to the production of gas and oil on said land and the transportation thereof over and from the same and to use water, oil and gas in the operation of its Machinery thereon, and the right of ingress and egress thereon and therefrom, with the right to remove all of their property placed thereon at any time during the life of this lease.

The land hereinbefore referred to is described as follows, to-wit: Southwest one-fourth of Section thirty (30) Township nine (9) Range Seven (7) West Salt Lake Meridian.

The party of the first part hereby reserves the right and privilege to use the above described premises for farming and grazing purposes as they may choose, or any other purposes not inconsistent with the right herein granted to party of the second part.

To have and to hold the same unto the said parties of the second part perpetually for the uses and purposes hereinbefore mentioned and only upon the following conditions, to-wit:

First: That whereas party of the second part is now drilling upon premises known as Lease No. 20 and bordering on the shores of the Great Salt Lake adjoining the premises herein demised, and whereas it is the intention of party of the second part to make a thorough test of said well to determine whether or not gas or oil in sufficient quantity for commercial purposes can be encountered thereon;

And whereas it is understood and agreed that by developing said well it will also develop the premises herein demised;

Therefore, as a part consideration for the leasing of said premises, it is agreed that party of the second part shall continue drilling upon the present well and site hereinbefore described with all reasonable diligence and make a thorough test of said well to determine whether or not oil or gas in commercial paying quantities can be discovered, and for said purpose party of the second part agrees to sink said well to such depth as its engineer may determine necessary to make a thorough test of said premises, and that in the event party of the second part shall strike oil or gas in paying quantities for commercial use, then party of the second part will immediately, that is within a reasonable time, begin operations upon Southwest one-fourth sec. 30, Tp. 9 W. Range 7 S.L.M. herein demised and will immediately sink a well thereon sufficiently deep to thoroughly test said premises and develop the same.

Second: That the said party of the second part, its heirs or assigns, shall pay to the party of the first part, its heirs or assigns, upon any and all gas, oil, petroleum ~~or any and all gas, oil, petroleum~~ or any mineral products taken from said well a royalty of ten per cent of the gross receipts derived from the above described property hereunder and said party of the first part, its heirs or assigns, or agents shall at all reasonable times have access to all the books and records, or other instrumentalities or

devises of said party of the second part for the purpose of determining and checking up the royalty paid and to be paid as above mentioned.

Third: Party of the second part further agrees that in the event it encounters oil, gas, or any other mineral products of sufficient quality and quantity to make it paying for commercial purposes, that it will, with reasonable diligence, proceed to develop the entire section of land herein demised, the purpose and intention of this lease being not to permit party of the second part to hold any part thereof undeveloped, but that it shall be the duty of party of the second part to proceed with all reasonable diligence to thoroughly develop and make the entire section produce in the event of encountering said oil or gas.

Fourth: It is further agreed that should party of the second part fail to encounter oil or gas in the well hereinbefore described and cease and abandon operations thereon, or should it fail to commence operation on South 1/4 Sec. 30, Tp. 9, Range 7 W. S.L. M. the premises herein described, within one year after ceasing operations upon said well not being drilled, or within a reasonable time after encountering oil or gas in paying quantities in said well, or if said party of the second part shall make default in any other of the covenants or agreements hereinbefore contained to be kept, done and performed by them, it shall and may be lawful for the said party of the first part, its heirs or assigns, to enter said premises and every and any part thereof, either with or without legal process, and without giving notice to quit, to re-enter the same again and to possess and enjoy said premises as their first and former estate, and this agreement shall become null and void, and party of the first part shall have the right to enter upon the records of Box Elder County a release cancelling said lease of record.

Fifth: It is understood and agreed by and between the parties hereto that the parties of the second part, its heirs or assigns, shall have the right to remove any and all of their property placed upon said premises at any time that they shall decide to abandon said premises and cease prosecution of further work thereon under this indenture provided, however, that before doing so they shall execute a good and sufficient release of all their rights and claim under and by virtue of this agreement.

Sixth: Said parties of the second part further agree to pay and discharge all costs and attorney's fees and expenses that may arise from enforcing the covenants of this indenture by the said parties of the first part, its heirs or assigns.

Witness the hands of the parties hereto this 27th day of January 1923.

Witness

L.M. Patterson

Witness

By J.A. Stewart

J.W. Farnsworth

Flora F. Farnsworth

Lakeside Oil Company.

By A.D. Cooley, President.

Will R. Holmes Secretary.

State of Utah)
County of Box Elder)^{ss}

On the second day of February, 1923, personally appeared before me A.D. Cooley and W.R. Holmes, who being duly sworn, each for himself deposes and says that he is the President and Secretary respectively of the Lakeside Oil Company, a Corporation, and that he executed the foregoing document pursuant to the by-laws of the corporation, and said A.D. Cooley and Will R. Holmes acknowledged to me that said Lakeside Oil Company executed the same.

.....
. LeRoy B. Young, Notary Public .
. Box Elder County, Utah. .
.....

LeRoy B. Young, Notary Public.
Residing at Brigham City, Utah.

My Commission expires August 27, 1925.

State of Utah)
) ^{ss}
County of Utah)

On the 27th day of January A.D. 1923 personally appeared before me J.W. Farnsworth personally known to me to be the parties who signed the above and foregoing lease etc., each for himsel, duly acknowledged to me that he signed the same for the uses and purposes therein stated.

.....
. C.E. Bohn, Notary Public .
. Ogden, State of Utah. comm- .
. ission expires Oct. 13, 1926. .
.....

C.E. Bohn, Notary Public
Residing at Ogden, Utah.

My commission expires-----.

Filed for record and recorded Feb. 10, A.D. 1923 at 4:05 P. M. in Book K of Misc Page 9. Fee \$2.90. Abst'd in Book G of Sec Page 478.

Rec. by Celia Baty

Calista Jensen Co. Recorder.

Proof-Read by L.D. & P.A.