

OIL, GAS AND OTHER MINERAL LEASE

THIS AGREEMENT made this 19th day of March 1980, betweenUtah Land & Cattle Company, Inc., a Utah corporation2990 W. Midvalley RoadCedar City, Utah 84720

hereinafter called Lessor (whether one or more), and MOBIL OIL CORPORATION, a New York Corporation, P. O. Box 5444, Denver, Colorado 80217, hereinafter called Lessee:

1. Lessor, in consideration of Ten and more----- Dollars (\$10.00 and more-----) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the land covered hereby for the purposes of investigating, exploring, prospecting, drilling, mining (but not strip or open pit mining), and operating for and producing oil and all other liquid hydrocarbons, gas, casinghead gas, condensate and all other gaseous substances, sulphur, uranium and all associated substances, coal and any other minerals, whether similar or dissimilar to those mentioned and whether or not produced in conjunction with those mentioned, (hereinafter sometimes referred to as "Leased Substances"). Lessor further grants, leases and lets exclusively unto Lessee Said Land for the purposes of injecting gas, waters, other fluids, air and any other substances into subsurface strata, conducting all types of recovery operations, establishing and utilizing facilities for the disposition of salt water and other waste materials, laying pipelines, storing Leased Substances, building roads, bridges, tanks, power lines, telephone lines and any other structures and things thereon to produce, save, take care of, treat, process, store and transport said Leased Substances and other products manufactured therefrom, and housing and otherwise caring for its employees, together with such rights and easements in Said Land necessary or useful in Lessee's oil, gas and mineral operations on Said Land and any lands adjacent, contiguous to or within the general area of Said Land (hereinafter referred to as "Other Lands") and with the right to cross any adjacent or contiguous lands of Lessor by use of existing roads or otherwise in order to have ingress and egress to and from Said Land to carry out such purposes. The land covered hereby, including but not limited to, all of Lessor's future, remainder and reversionary rights therein (herein sometimes called "Said Land"), is located in Iron

County, Utah, and is described as follows: Recorded at Mobil Oil CorporationRequest of Mobil Oil Corporation Date Apr 7-80 9A M Fee 27.00 St. 261 Page 413-415

217102

Iron County Recorder

Deputy

Proof I

See EXHIBIT "A" attached hereto and made a part hereof.

and includes not only the land specifically described above but also all land, if any, contiguous to or adjoining Said Land and owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or as to which Lessor has a preference right of acquisition. For the purpose of calculating the rental payments hereinafter provided for, Said Land is estimated to comprise 114.85 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of ten (10) years from the effective date hereof (hereinafter called "Primary Term") and as long thereafter as oil, gas, sulphur, uranium, coal or any of the Leased Substances is produced from Said Land or land with which Said Land is pooled.

3. The royalties to be paid by Lessee are:

(a) on oil and other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from Said Land, same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected. Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude. Lessee may, at its option, from time to time purchase any royalty oil or liquid hydrocarbons, paying the market price therefor prevailing for the field where produced for oil or liquid hydrocarbons of like kind and quality on the date of purchase and Lessee may sell any royalty oil or liquid hydrocarbons in its possession and pay Lessor the price received by Lessee for such oil and/or liquid hydrocarbons computed at the well;

(b) on gas, including casinghead gas, condensate and other gaseous substances produced from said land:

(1) when sold or used by Lessee for the extraction of gasoline or other products therefrom, one-eighth of the market value at the well of the gas so sold or used, provided that the market value shall not exceed the net amount realized by Lessee from the sale of gas and extracted products, including gasoline and residue gas ("net amount realized" being defined as proceeds received by Lessee from the sale less all cost and expenses incurred by Lessee from the mouth of the well through sale, excluding normal field separation expense which Lessee alone shall bear). In the event the gas is processed in a plant in which Lessee owns an interest, Lessee may include as expense amortization of its investment in pipelines, the plant and its facilities plus a reasonable rate of return thereon. The use by Lessee of all or any part of the extracted products, including gasoline and residue gas, for its own account shall for the purposes hereof be deemed a sale at the market price prevailing at the plant at the time of use by Lessee, provided, however, if the price of any product, gasoline or gas is regulated by any governmental agency, market price of such product, gasoline or gas for the purposes of computing royalty on such product, gasoline or gas used by Lessee shall not be in excess of the price permitted by such regulations. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of any governmental agency having jurisdiction thereof, net amount realized shall be calculated on the basis of the unsuspended and/or unconditional certificated price for such gas which Lessee receives. Lessee may hold without interest the portion of any proceeds subject to possible refund until the amount of refund, if any, is determined by final unappealable order of the governmental agency;

(2) when used by Lessee for any purpose other than the extraction of gasoline or other products therefrom and those permitted by numbered paragraph 7, one-eighth of the market value at the mouth of the well of such gas or casinghead gas; however, Lessee shall in no event be required to determine and change market value more often than once every calendar year. Changes made shall be prospective only. If the price of gas or casinghead gas is regulated by any governmental agency, the market value for the purposes of computing royalty hereunder shall not be in excess of the price permitted by such regulations;

(c) on sulphur produced and marketed one dollar (\$1.00) per long ton;

(d) on uranium, coal and any other Leased Substances for which a royalty is not otherwise established which are produced and marketed, one-sixteenth of the proceeds received from the sale of such Leased Substances; and

(e) if Lessee drills a well on Said Land or on land pooled therewith, which well is capable of producing oil or gas in paying quantities but such well is not being produced and this lease is not being maintained otherwise as provided herein, this lease shall not terminate, whether it be during or after the Primary Term (unless released by Lessee) and it shall nevertheless be considered that oil or gas in paying quantities is being produced from the land covered by this lease. When the lease is continued in force in this manner, Lessee shall pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing or deposit to their credit in the depository bank as hereinafter provided a sum equal to one twelfth of the amount of the annual Rental payable in lieu of drilling operations during the Primary Term on the number of acres subject to this lease at the time such payment is made for each calendar month, or portion thereof, during which said well is situated on Said Land, or on land pooled therewith, and this lease is not otherwise maintained, or this lease is not released by Lessee as to the land on which or the horizon, zone, or formation in which the well is completed. The first payment of such sum shall be made on or before the first day of the calendar month after expiration of ninety (90) days from the date the lease is not otherwise maintained for all accruals to such date and thereafter on or before the first day of each third calendar month for all accruals to each such date. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. Lessee has paid Lessor Rental in full hereunder for the first one (1) year of the Primary Term hereof. If operations for drilling are not commenced on Said Land or on land pooled therewith on or before the expiration of the original paid up period, this lease shall terminate as to both parties unless on or before such date Lessee shall pay or tender, or make a bona fide attempt to pay or tender, to Lessor ~~XXXXXX XXXXXX~~

at the above address

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the sum of One hundred fourteen and 85/100----- Dollars

(\$ 114.85-----) (herein called "Rental"), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payment or tender annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months, each during the Primary Term. The payment or tender of Rental under this paragraph and of royalty under Paragraph 3 on any well which is not being produced (hereinafter referred to as "Shut-In Royalty") may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. Such bank and its successors are Lessor's agent and shall continue as depository for all Rental and Shut In Royalty payable hereunder regardless of changes in ownership of Said Land, Rental or Shut In Royalty. If such bank, or any successor bank, should fail, liquidate or be succeeded by another bank or for any reason fail or refuse to accept Rental or Shut In Royalty, Lessee shall not be held in default for failure to make such payment or tender of Rental or Shut In Royalty until thirty (30) days after the party or parties entitled thereto shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payment or tender. If Lessee shall make a bona fide attempt on or before any payment date to pay or deposit Rental to a party or parties entitled thereto, according to Lessee's records, or to a party or parties who, prior to such attempted payment or deposit, have given Lessee notice in accordance with subsequent provisions of this lease of their right to receive Rental, and if such payment or deposit shall be ineffective or erroneous in any regard, this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective Rental payment or deposit had been properly made, provided that the erroneous or ineffective Rental payment or deposit be corrected within thirty (30) days after receipt by Lessee of written notice by such party or parties of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. Failure to make proper payment or deposit of delay Rental as to any interest in Said Land shall not affect this lease as to any interest therein as to which proper payment or deposit is made.

5. Lessee is hereby granted the right and power at any time, and from time to time, to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, gas, or any other Leased Substances. The unit may include either oil or gas (including condensate) or any other Leased Substances and may be limited to one or more subsurface strata. Units pooled for oil hereunder shall not exceed one hundred sixty (160) acres in surface area plus a tolerance of ten percent (10%) thereof and units pooled for gas (including condensate) hereunder shall not exceed six hundred forty (640) acres in surface area plus a tolerance of ten percent (10%) thereof, provided that if any Federal or State law, Executive order, rule or regulation shall prescribe or permit a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed, permitted or as may be used in such allocation or allowable. Lessee shall file written unit designation in the county in which the premises are located. The unit shall become effective on the date provided in the designation or, if the designation makes no such provision, it shall become effective upon the date it is filed for record. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty or leasehold interests in lands within the unit which are not effectively pooled or unitized. Such units may be designated at any time either before or after the completion of a well or wells or production therefrom and Lessee may reduce, enlarge, modify or dissolve such unit or units at any time prior to the discovery of oil, gas or other Leased Substances on the pooled acreage, or, after discovery of same, at any time subsequent to the cessation of production thereof, by filing a written declaration to such effect in the same county. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled units, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled or unitized only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled or unitized in the particular unit involved.

U-2146

Mobil Oil Corporation
 P. O. Box 5444
 Denver, CO 80217
 Attn: Title Records Section

IN WITNESS WHEREOF, we have executed this instrument effective as of the day and year first above written.

BY: Norman Stephens V.P.
541-62-7908

LESSOR

WITNESSES

This lease was prepared by _____ whose address is _____

STATE OF Utah)
COUNTY OF Iron) SS.

On this 20th day of March, 1980, personally appeared before me PO

, the signer of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year of this certificate first above written.

My Commission Expires:

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Notary Public

STATE OF Utah)
COUNTY OF Iron) ss.

On this 20th day of March, in the year 1980, personally appeared before me Paul D. Graff

Norman Stephens, who being duly sworn, did say that he is (the President) (or the President) (or Secretary)
(or Assistant Secretary) of Utah Land & Cattle Company, Inc., a Utah corporation, and that said instrument was signed in behalf of said corporation by authority of
its bylaws, and said Paul D. Graff Norman Stephens acknowledged to me
that such corporation executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year of this certificate first above written.

My Commission Expires:

12-17-83

Notary Public

EXHIBIT "A"

That part of Sections 8 and 9, Township 35 South, Range 11 West, SIM, more particularly described as follows:

Lots 1,2 and 3, Block A; Lots 2,3,4 and 5, Block B; Lots 1-6 inclusive, Block C; Lots 1-6 inclusive, Block D; Lots 1,2,3,7 and 8, Block E; Lot 1, $S\frac{1}{2}$ of Lot 2, $S\frac{1}{2}$ of Lot 4 and Lot 5, Block F; Lots 1, 2, $N\frac{1}{2}$ of Lot 3, $S\frac{1}{2}$ of Lot 4, $N\frac{1}{2}$ of Lot 5, Lot 7, $N\frac{1}{2}$ of Lot 8, $N\frac{1}{2}$ of Lot 9 and All of Lot 10, Block G, SKY VIEW SUBDIVISION, according to the Official Plat thereof, recorded in the Office of the County Recorder, Iron County, Utah; and

Lots 5 and 6, Block 5, MIDVALLEY ESTATES UNIT 2, a subdivision according to the Official Plat thereof, recorded in the Office of the County Recorder of Iron County, Utah.

Initialed for Identification _____

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