

24225 G

STATE OF UTAH
County of Box Elder } SS

Filed for record and recorded
March 21 19 52
at 11:30 o'clock A.M., in book 75
of Records page 162

Fee \$50.60

Margaret Stevens
COUNTY RECORDER

By _____
DEPUTY RECORDER

Index ✓ ✓ ✓
✓ ✓ ✓

OIL AND GAS LEASE

Promontory-Curley Land Company

Utah Southern Oil Company

Abst in D of Sec 90 ✓ I of Sec 207 ✓ K of Sec 490 ✓
 L of Sec 20-30-261 ✓ O of Sec 158 ✓ P of Sec 213 ✓ Q of Sec 440 ✓
 R of Sec 338 ✓ S of Sec 120-182-181-135-180-339-258-401-402-479-481-482 ✓
 T of Sec 381 ✓ U of Sec 29-59-113-161-162-163-245 ✓
 W of Sec 82-83-84-85-86-87-104-288-286-310-334-335-336-337-396-400-401 ✓
 X of Sec 95-96-97-101-102-103-104-105-110-111-112-113-137-156-157 ✓
 160-161-162-163-222-223-224-225-286-287-288-289-290 ✓
 Y of Sec 370-371-372 ✓
 Z of Sec 164-180-182-184-185-186-187-188-189-264-265-266-267-317-318-
 319-323-324-325 ✓
 One of Sec 66-386-388-390-392-394-396-490-506 ✓
 4 of Sec 42-43-44-45-34-56-60-61-62-65-66-68-86-80-81-67-226-227-228 ✓
 229-230-232-231-277-84-338-382-383-385-386-384 ✓

(See book 123 page 400) C.M.
 (Mr. Gust Olson need evidence certain properties see page 177) M.E.

OIL AND GAS LEASE

25th This Indenture of Lease, made and entered into this day of October, 1948, by and between PROMONTORY-CURLEW LAND COMPANY of Logan, Utah, hereinafter called the "Lessor" (whether one or more) and UTAH SOUTHERN OIL COMPANY, of Salt Lake City, Utah, hereinafter called the "Lessee":

W I T N E S S E T H :

That the Lessor, for and in consideration of the advance rental payment of One Thousand (\$1,000.00) Dollars to him in hand paid, the receipt whereof is hereby acknowledged, leases and demises to the Lessee, all mineral rights as hereinafter defined, in those certain pieces or parcels of lands situated as shown hereinbelow, in the County of Box Elder, State of Utah, and more particularly described as follows: to-wit:

All of the oil, gas, petroleum and other hydrocarbon substances that may be found in or under the Southwest Quarter ($SW\frac{1}{4}$) of each and every section or part of section hereinbelow described (except the East Half ($E\frac{1}{2}$) of Section 31, Township 9 North, Range 7 West) together with the rights of ingress, and egress, over, across, and upon said lands for the purpose of removing any and all oil or gas, together with sufficient rights for the reasonable operation of any gas or oil wells of any kind or nature, together with sufficient surface rights for the operation of any refinery or pipeline reasonably necessary or convenient for the operation of any oil or gas well of any kind or nature.

Lands situated in Box Elder County, State of Utah:

In Township 8 North, Range 10 West, Salt Lake Meridian:

$SW\frac{1}{4}$ Section 19,	160.00 acres, more or less.
-----------------------------	-----------------------------

In Township 9 North, Range 7 West, Salt Lake Meridian:

Lots 3 & 4 & $E\frac{1}{2}$ $SW\frac{1}{4}$ Sec. 7,	160.45 acres,
Lots 3 & 4 & $E\frac{1}{2}$ $SW\frac{1}{4}$ Sec. 19,	160.07 acres.
Lots 1, 2, 3, and 4, and $E\frac{1}{2}$ $NW\frac{1}{4}$, Section 31,	203.74 acres
Total	<u>524.26</u> acres, more or less.

In Township 9 North, Range 8 West, Salt Lake Meridian:

Lots 1 and 2 and $N\frac{1}{2}$ $SW\frac{1}{4}$ Sec. 25	154.38 acres, more or less.
---	-----------------------------

In Township 11 North, Range 5 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 7, 160.46 acres, more or less.

In Township 11 North, Range 6 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 15, 160.00 acres, more or less.

In Township 12 North, Range 6 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 29,	160.00 acres
SW $\frac{1}{4}$ Section 31,	160.00 acres
Total	<u>320.00</u> acres, more or less.

In Township 12 North, Range 7 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 3	160.00 acres
" Section 5	160.00 acres
" Section 6	160.00 acres
" Section 9	160.00 acres
" Section 11	160.00 acres
" Section 15	160.00 acres
" Section 17	160.00 acres
" Section 18	160.00 acres
" Section 23	160.00 acres
" Section 25	160.00 acres
" Section 27	160.00 acres
" Section 33	160.00 acres
" Section 35	160.00 acres
Total	<u>2080.00</u> acres, more or less.

In Township 12 North, Range 8 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 9	161.77 acres
" Section 11	160.00 acres
" Section 21	160.00 acres
" Section 23	160.00 acres
" Section 27	160.00 acres
" Section 29	160.00 acres
" Section 31	159.56 acres
" Section 33	160.00 acres
" Section 35	160.00 acres
Total	<u>1441.33</u> acres, more or less.

In Township 12 North, Range 9 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 1,	160.00 acres
" Section 3,	160.00 acres
" Section 19,	160.00 acres
" Section 29,	160.23 acres
" Section 31,	160.00 acres
Total	<u>800.23</u> acres, more or less.

In Township 12 North, Range 10 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 19	163.17 acres
" Section 21	160.00 acres
" Section 23	160.00 acres
" Section 29	160.00 acres
Total	<u>643.17</u> acres, more or less.

In Township 13 North, Range 7 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 29,	160.00 acres
E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 34,	80.00 acres
Total	<u>240.00</u> acres, more or less.

In Township 13 North, Range 8 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 3,	113.36 acres
" Section 5,	160.00 acres
" Section 7,	159.82 acres
" Section 10,	160.00 acres
" Section 15,	160.00 acres
" Section 17,	158.12 acres
" Section 19,	160.00 acres
" Section 21,	160.00 acres
" Section 22,	160.00 acres
" Section 27,	160.00 acres
" Section 29,	160.00 acres
Lot 3, and NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 30,	80.00 acres
SW $\frac{1}{4}$ Section 31,	160.00 acres
Total	<u>1951.30</u> acres, more or less.

In Township 13 North, Range 9 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 1,	160.00 acres
" Section 3,	160.00 acres
" Section 5,	160.00 acres
" Section 7,	159.40 acres
" Section 9,	160.00 acres
" Section 11,	160.00 acres
" Section 13,	160.00 acres
" Section 15,	160.00 acres
" Section 17,	160.00 acres
" Section 21,	160.00 acres
" Section 23,	160.00 acres
" Section 24,	160.00 acres
" Section 25,	160.00 acres
" Section 27,	160.00 acres
" Section 29,	160.00 acres
" Section 33,	160.00 acres
" Section 35,	160.00 acres
" Section 36,	160.00 acres
Total	<u>2879.40</u> acres, more or less.

In Township 14 North, Range 7 West, Salt Lake Meridian:

Lots 3 & 4, &	
SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 7,	<u>159.69</u> acres, more or less.

In Township 13 North, Range 10 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 1,	160.00 acres
" Section 3,	160.00 acres
" Section 5,	160.00 acres
" Section 7,	161.55 acres
" Section 9,	160.00 acres
" Section 13,	160.00 acres
" Section 15,	160.00 acres
" Section 17,	160.00 acres
" Section 19,	160.92 acres
" Section 21,	160.00 acres
" Section 23,	160.00 acres
" Section 27,	160.00 acres
Total	<u>1922.47</u> acres, more or less.

In Township 14 North, Range 8 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 7,	160.27 acres
NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 9,	40.00 acres
SW $\frac{1}{4}$ Section 15,	160.00 acres
" Section 17,	160.00 acres
" Section 19,	158.81 acres
" Section 23,	160.00 acres
" Section 27,	160.00 acres
" Section 28,	160.00 acres
" Section 29,	160.00 acres
" Section 31,	158.00 acres
" Section 32,	160.00 acres
" Section 33,	160.00 acres
" Section 35,	160.00 acres.
Total	<u>1957.08</u> acres, more or less.

In Township 14 North, Range 9 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 1,	160.00 acres
" Section 5,	160.00 acres
" Section 7,	159.94 acres
" Section 9,	160.00 acres
" Section 13,	160.00 acres
" Section 15,	160.00 acres
" Section 17,	160.00 acres
" Section 19,	159.84 acres
" Section 21,	160.00 acres
" Section 23,	160.00 acres
" Section 25,	160.00 acres
" Section 27,	160.00 acres
" Section 29,	160.00 acres
" Section 31,	152.00 acres
" Section 33,	160.00 acres
" Section 35,	160.00 acres.
Total	<u>2551.78</u> acres, more or less.

In Township 14 North, Range 10 West, Salt Lake Meridian:

SW $\frac{1}{4}$ Section 19	158.41 acres
" Section 21	160.00 acres
" Section 23	160.00 acres
" Section 25	160.00 acres
" Section 27	160.00 acres
" Section 29	160.00 acres
" Section 31	160.00 acres
" Section 33	160.00 acres
" Section 35	<u>160.00 acres</u>
Total	1438.41 acres, more or less.

In Township 15 North, Range 7 West, Salt Lake Meridian:

Lots 3 & 4, and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 29,	<u>115.60</u> acres, more or less.
---	------------------------------------

In Township 15 North, Range 8 West, Salt Lake Meridian:

Lots 3 and 4, S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 29,	<u>106.29</u> acres, more or less.
---	------------------------------------

In Township 15 North, Range 9 West, Salt Lake Meridian:

Lots 3 & 4 and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 25,	102.63 acres
Lots 3 & 4 and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 27,	97.53 acres
Lots 3 & 4 and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 29,	93.76 acres
SW $\frac{1}{4}$ Section 33,	<u>160.00</u> acres
Total	453.92 acres, more or less.

In Township 15 North, Range 10 West, Salt Lake Meridian:

Lots 3 and 4, and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 25,	94.88 acres
Lots 3 and 4, and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 27,	90.10 acres
Lots 3 and 4, and S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 29,	88.43 acres
SW $\frac{1}{4}$ Section 31,	156.16 acres
SW $\frac{1}{4}$ Section 33,	<u>160.00</u> acres
Total	589.57 acres, more or less.

A TOTAL OF 20,809.34 acres, more or less.

Together with the right to enter upon all of said parcels and tracts of land, drill wells, entrench, lay, maintain and operate pipelines and erect, maintain and operate all structures, appliances, improvements and fixtures necessary or convenient in searching for, procuring, producing, treating, caring for, storing, transporting and removing any and all such natural gas, oil, petroleum and other hydrocarbon substances which may be found hereunder, and the right to erect, maintain and operate telephone, telegraph and power lines, together with the right to maintain, repair, replace, and remove any and all structures, appliances, improvements and fixtures placed thereon and also such easements and servitudes which may be necessary or convenient to enable said Lessee and his successors in interest, to fully enjoy the estates and privileges created hereby, together also with the full right to develop, produce, store, and use all water necessary or convenient in carrying on such operations or any thereof.

Said Lease shall be on the following terms and conditions:

1. This lease shall continue for a period of five years from and after the date hereof and so long thereafter as drilling operations on said premises are being conducted, or deferred under provisions herein, and should production of one or more of the products specifically mentioned in the next succeeding paragraph result from said drilling operations, then this lease shall remain in force so long thereafter as one or more of said products are producible from said premises, subject to compliance with the terms and conditions hereof.

2. The Lessee shall have the sole and exclusive right of prospecting demised premises and drilling for, producing, extracting, treating, removing and marketing oil, gas, natural gasoline and other hydrocarbon substances therefrom and to establish and maintain on said premises such tanks, boilers, houses, engines and other apparatus, and equipment, power lines, pipe lines, roads and other appurtenances which may be necessary or convenient in the production, treatment, storage and/or transportation of any and all of said products from and on said property, or property in the vicinity operated by Lessee, or any assignee or subsidiary of Lessee.

Lessee shall have the right during the life of the lease to drill for and develop such water on said premises as it may require in its operations.

2 a. The word "gas" as used herein shall be construed to cover and embrace any and all kinds of gas, including helium and carbon dioxide, produced or producible from beneath the surface of demised premises.

3. If operations for the drilling of a well for oil or gas are not commenced on said land on or before September 8, 1949, this lease shall terminate as to both parties, unless the Lessee shall on or before September 8, 1949, pay or tender to the Lessor, or for the Lessor's credit in the First Security Bank of Utah, Logan Branch, Logan, Utah, or its successors, which bank and its successors are the Lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder,

a sum equal to twenty five cents for each net acre which shall remain subject to this lease at such time of payment after the deduction of acreage quitclaimed by the Lessee as hereinafter provided in Article 5 hereof, which sum shall operate as rental and cover the privilege of deferring commencement of drilling operations for a period of one year. In like manner, and upon like payment or tender, the commencement of drilling operations may be further deferred for two other periods of one year each, but in no case may such commencement or drilling operations be deferred longer than four years from September 8, 1948.

Lessee agrees to continue the drilling of such well after commencing the same, with due diligence until a depth of 4,000 feet has been reached, unless such formations are encountered at a lesser depth as will indicate to the geologist of the Lessee that further drilling would be unsuccessful. If said well, or any subsequent well prior to completion of a paying well, be abandoned for mechanical reasons, or for any other reason, this lease shall remain in full force and effect if a new well is started within ninety days from date of such abandonment; provided that, in lieu of starting such new well, Lessee shall have the right to defer drilling in accordance with Paragraph 8 hereof upon payment of rental as therein provided.

Notwithstanding the foregoing provisions of this Article 3, it is agreed that in order for Lessee to defer commencement of its drilling obligations from and after September 8, 1949, the annual delay rental shall be not less than \$1,000.00, which minimum annual delay rental will suffice to allow the retention by Lessee of 4,000 acres of the land leased hereunder.

4. Upon discovery of oil in paying quantities in any well drilled on demised premises, the Lessee shall commence the drilling of another well within ninety days thereafter, and shall thereafter continuously operate not less than one well drilling outfit-allowing ninety days between completion of one well and commencement of the next succeeding, until four wells shall have been drilled, including offset wells; provided that, upon failure to find oil in paying quantities in the first or any subsequent well drilled under the terms hereof, this lease shall remain in full force and effect, at the option of the Lessee, if Lessee elects (without forfeiture of any right to subsequently drill for and produce oil) to operate any such well or wells as natural gas wells and operate the premises for natural gas development purposes, in which event the drilling obligations hereinabove in this paragraph contained shall be reduced to one-fourth the number of wells specified. Nothing herein shall be construed to limit the number of wells which the Lessee may drill, should it so elect, in excess of the number hereinabove specified, nor limit the depth to which any well may be drilled or deepened by Lessee should it desire to drill below the depth specified. The Lessee shall have the right at all times to operate, deepen, redrill and maintain all producing oil and/or gas wells upon said property.

5. Lessee may at any time and from time to time, either before or after discovery of oil and/or gas on the demised premises, quitclaim the said premises, or any part thereof, to the Lessor, his successors, or assigns. Upon quitclaiming of any part of the

land to the Lessor, his successors, or assigns, all rights and obligations of the parties hereto, one to the other, shall cease and determine as to the portions of the premises quitclaimed (except that the Lessee may continue to enjoy such easements on the surrendered premises as may be in use at the time of the surrender) and the drilling requirements hereunder shall be reduced pro rata according to acreage retained by the Lessee. Except as herein provided, full right to said land shall revert in the Lessor free and clear of all claims of the Lessee, except that the Lessor, his successors or assigns, shall not drill any well on said surrendered land within 330 feet of any producing oil well or within 660 feet of any gas well on land retained by Lessee.

6. In the event of the discovery of oil in any well on adjacent properties within one hundred fifty feet of the boundary line of the demised premises, and the production of oil therefrom in paying quantities as herein defined, then the next well to be drilled hereunder shall be so placed to offset said well on the adjacent property; or, if no well is being drilled and the total well requirements of the lease have not been fulfilled, then within ninety days thereafter a well shall be commenced by the Lessee to offset such producing well on the adjacent property. It is agreed that a well on demised premises shall be construed to be an offset to one or more wells on the adjacent properties if such well is located at a distance not greater than one hundred fifty feet from the boundary line between the herein leased premises and the land containing the well or wells to be offset and at a distance not to exceed one hundred fifty feet from either side of a line drawn from a well so to be offset through the nearest point in said boundary line; provided that a well then producing or drilling on demised premises within one hundred fifty feet of the offset location herein defined shall be construed to fulfill this offset provision. The obligation to offset wells shall be applicable only to the exterior boundary lines of the demised property and the offset obligation shall not be increased by reason of any division of ownership of demised property by Lessor which may occur during the life of this lease or present existing multiple ownership.

7. Drilling and/or producing operations may be suspended or curtailed on said property only in the event that they are prevented by the elements, accidents, strikes, lockouts, riots, delays in transportation, conservation or curtailment agreements, or interferences by municipal, state or federal action, or the action of other governmental officers or bodies, or other causes beyond the reasonable control of Lessee, whether similar or dissimilar to the causes herein specifically mentioned, and when there is no market for the oil, or so long as the established and posted market price offered by the major oil purchasing companies for oil of the quality produced on said premises, in the district in which the premises are located, shall be less than seventy five cents per barrel at the well. The Lessee is hereby authorized by Lessor to enter into conservation and curtailment agreements with other operators for the purpose of preventing waste or for the conservation of oil and/or gas, when such agreements are required or permitted by state or federal officials or statutes; provided that any such agreed curtailment shall be at no greater pro rata percentage per well or location on demised premises than that on offset acreage where offset wells are producing or drilling.

8. If the first well which is provided in Article 3 hereof, or any subsequent well, shall have been abandoned as in said Article provided, the Lessee may, by giving the Lessor written notice of his intention so to do, extend the period for commencing any subsequent well prior to the completion of a paying well, for a time not extending beyond September 8, 1952, by paying to the Lessor a rental sum equal to twenty five cents (25¢) for each acre then subject to this lease under the terms hereof, in advance, for each six months of such extension; provided, that the minimum rental for each such six-month extension shall be \$500.00. All rentals shall cease when drilling has commenced or the premises quitclaimed.

9. The Lessee shall be entitled to use, without payment of royalty, so much of the water, oil and/or gas produced on said property as may be required in the operation of the property. If Lessee uses electrical equipment in the operation of the property after development of oil and/or gas in paying quantities and, by reason of such use, markets the free fuel to which Lessee is entitled, the Lessee is hereby authorized to deduct monthly from any royalty payments accruing to Lessor a sum equal to one eighth part of the monthly power bill incurred in the operation of the property, but in no event shall said deduction exceed in amount the sale price of Lessor's proportionate part of said free fuel marketed, nor shall Lessor be liable for any part of the cost of installation and upkeep of said equipment.

10. The Lessee shall pay to the Lessor as royalty on oil, a sum equal to one eighth of the market price of all oil produced and sold by it from said premises, which market price it is hereby agreed shall be the published offered price by the major oil purchasing companies for oil of like quality and gravity, at the well in the district in which the demised premises are located, on date of delivery of the oil from Lessee's gauge tanks. If the oil be unsaleable at such price, the Lessee shall so notify Lessor and the Lessor shall thereupon immediately, and in lieu of cash, accept his royalty in kind at the well or tank provided by Lessee. Upon failure of Lessor to so accept his royalty oil, it shall, without further notice to Lessor, be sold with Lessee's oil, if and when Lessee's oil is sold, and the price received therefor by Lessee shall be the price used in settlement under this paragraph. In the event the oil requires treatment or dehydration to render it marketable, the Lessee is hereby authorized to deduct from the amount due the Lessor, the Lessor's proportion of the cost of transportation to and from the treating plant, if same is located off the premises, and of such treating or dehydrating.

11. The Lessee shall be under no obligation to store or sell gas or water, nor to manufacture gasoline from natural gas. If any gas or water is sold, the Lessee shall pay to the Lessor one eighth of the proceeds of sale of such gas or water, after deducting the cost of producing, transporting and selling the same. If casinghead gasoline is manufactured or extracted on the premises, or elsewhere, by Lessee, or others under contract, or lease on a royalty basis, from gas produced from wells on said premises, the Lessee reserves the right and option to add such gasoline to the oil produced on the premises, in which case it shall be classed as crude oil and no separate accounting or settlement shall be required of Lessee; if sold as gasoline, then the Lessee shall pay to Lessor one eighth of such royalty or proceeds received by Lessee from the sale thereof, after deducting the cost to Lessee of extracting, transporting and selling the same.

12. Lessee shall pay all taxes on its personal property and improvements and on all oil stored on the leased premises on the assessment date of each year, and seven eighths of the increase of taxes on such portion of the leased premises as remains covered by this lease on said day, when such increase is caused by the discovery of oil thereon, whether assessed upon said land as increased valuation or as mineral rights or otherwise, and whether assessed against the Lessee or Lessor, and the Lessor hereby agrees to pay the remaining portion of such increased assessment. The Lessee is hereby authorized to pay the total amount of taxes assessed on said land, improvements, mineral rights and stored oil and deduct the Lessor's proportion thereof from the amount of any rentals or royalties which may accrue to Lessor.

13. All royalty monies accruing to Lessor under Paragraphs 10 and 11 hereof, for deliveries or sales during any calendar month shall be delivered to Lessor on or before the 20th day of the next succeeding month by paying the amount into the First Security Bank of Utah, Logan Branch, Logan, Utah, which bank is hereby designated the depository of Lessor, and such payment into said bank for the account of Lessor shall relieve the Lessee from any liability or obligation in the proper distribution thereof among the Lessors, whether one or more.

14. The term "Paying quantities" wherever used herein is hereby defined as the output from a well or wells of such quantity of one or more of the products authorized to be produced under this lease as Lessee may, considering depth of well and quality of product and after a production test of thirty (30) consecutive days, deem sufficient to warrant further operations for its removal.

15. Lessee shall carry on all operations in a careful, workmanlike manner, and in accordance with the laws of the State of Utah. Lessee shall keep full records of the operations and production and sales or shipment of products from said property, and such records and the operations on the property shall be at all reasonable times open to the inspection of the Lessor. Whenever requested by the Lessor, in writing, the Lessee shall furnish to the Lessor a copy of the log of any well drilled on said property.

16. The Lessee agrees to conduct its operations so as to interfere as little with the use of the land for agricultural, horticultural or grazing purposes as is consistent with the economical operation of the property for oil, gas or other hydrocarbons and Lessee agrees to pay for any damage to growing crops which may be done through its negligence. Lessee further agrees to save and defend Lessor free and harmless of and from any claims, demands or actions arising out of injury to or death of persons, or damage to property, occurring as a result of Lessee's operations.

17. The surface owners may have the use for his domestic purposes of any water or gas developed on said property, so long as such water or gas is not required by the Lessee or sold. Delivery of same shall be taken at a point to be indicated by the Lessee and it shall be transported to the point of use at the cost and sole risk of the surface owners.

18. The Lessee shall have at any time the right to remove any houses, tanks, pipelines, structures, casing or other equipment, appurtenances or appliances of any kind brought by it upon said land, whether affixed to the soil or not; provided, however, that in case of the abandonment of any well in which Lessee has landed casing if the Lessor shall desire to retain the same as a water well, he may notify the Lessee to that effect, and thereupon the Lessee shall leave in the well such of said casing as the Lessor shall require, and the Lessor shall pay to the Lessee fifty per cent (50%) of the cost to Lessee of such casing delivered on the ground.

19. In the event of any breach of any of the terms or conditions of this lease by the Lessee, and the failure by Lessee to take action to remedy the same within ninety days after written notice from the Lessor so to do, then, at the option of the Lessor, this lease shall cease and determine, and all rights of the Lessee in and to said land be at an end.

20. Notwithstanding any forfeiture of this lease, the Lessee shall have the right to retain any and all wells being drilled, or producing or capable of producing oil or gas in paying quantities, at the time of such forfeiture, together with the aforesaid easements and appurtenances of said wells and sufficient land surrounding each well for the operation thereof. The wells so retained shall be subject to all the terms and conditions of this lease.

21. In case any action is brought at law or in equity by third parties claiming title to the land, in hostility to the Lessor, then, during the pendency of said action, until final decision thereof, the Lessee may discontinue operations on said lands, or if it operates wells may deposit the royalties accruing under this lease in any national bank in the City of Logan, Utah, to the joint account of the Lessor and Lessee.

22. Any notice from the Lessor to the Lessee must be given by sending the same by registered mail addressed to the Lessee at 901 Utah Oil Building, Salt Lake City, 1, Utah, and any notice from the Lessee to the Lessor may be given by sending the same by registered mail, addressed to First Security Bank of Utah, Logan Branch, Logan, Utah, who is hereby designated as agent of Lessor. Either party, or the assigns of either party, may at any time, by written notice to the other party, change the address to which notices shall be sent and the Lessor may change the designated agent, and after such written notice to either party by the other, by registered mail, all subsequent notices shall be sent to the address therein indicated and to the substituted agent of Lessor.

23. All material furnished or work done on said land by the Lessee shall be at the Lessee's sole cost and expense except as herein otherwise provided, and Lessee agrees to protect said land and the Lessor from all claims of contractors, laborers and material men, and Lessor may post and keep posted on said land such notices as he may desire in order to protect said lands against liens.

24. Lessee at its option may pay and discharge any liens which may now or hereafter attach to the land herein demised, and pay and discharge any mortgages, trust deeds, or encumbrances of any kind or nature existing on or against the land herein demised, in which event Lessee shall be subrogated to the rights of the holder or holders thereof, and may, in addition thereto, at its option, reimburse itself by applying to the amount owing to it any royalties, rentals, or other sums accruing to the Lessor under the terms and conditions of this lease.

25. Upon the expiration of this lease, or its sooner termination, in whole or in part, the Lessee shall surrender possession of the terminated portion of the premises to the Lessor, and shall deliver to the Lessor a good and sufficient quitclaim deed or release. Within six (6) months after such expiration or termination, Lessee shall (subject to the rights and privileges granted to the Lessee and to other provisions of this lease) remove from such premises so terminated all of its rigs, machinery and other property, and shall, so far as possible fill all sump holes and other excavations made by Lessee.

26. If the estate of either party hereto is assigned, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the mineral rights or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written notice of transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the assignee or assignees of such part or parts shall default in the performance of any covenant of this lease as applied to such portion so assigned, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands retained by the said Lessee or any assignee thereof upon which there is no default.

Notwithstanding anything to the contrary contained above in this Article 26, it is agreed that except as the written consent of Lessor thereto is obtained in advance, this lease shall not be assignable by Lessee, nor shall Lessee be entitled to sublet hereunder other than to an assignee or sublessee which shall be a responsible oil company with a net worth of not less than \$500,000.00.

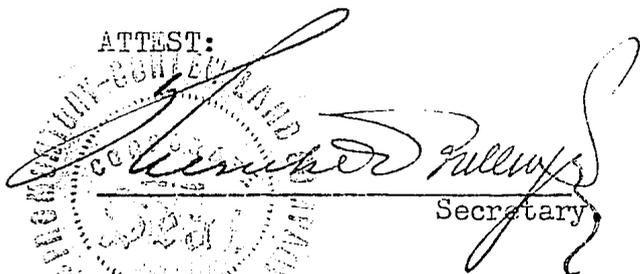
27. It is mutually agreed and understood that the terms and conditions, covenants and warranties herein expressed constitute the complete agreement of the parties hereto, and that there are no terms conditions, covenants and/or warranties, either expressed and/or implied, other than those in this said indenture of lease contained.

28. Diversified ownership of divers parcels of land notwithstanding, it is understood and agreed that the herein leased premises shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be paid as provided in Paragraph 13 hereof for division among such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage, or as their rights and interests appear in Lessor's instructions to said depository.

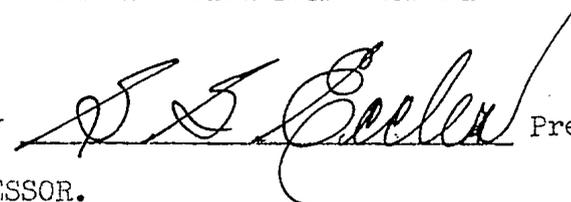
29. It is understood that this lease shall not be recorded by Lessee until such time as Lessee has commenced operations for the drilling of a well on the leased land, or Lessee shall have paid Lessor the amount of delay rental required under the provision of Article 3 hereof in order to defer drilling operations hereunder for the period of the year commencing September 8, 1949. At such time as Lessee shall commence operations for the drilling of a well hereunder, or shall have paid to Lessor said required delay rental for the year commencing September 8, 1949, Lessor agrees at any time thereafter upon Lessee's request to execute and deliver to Lessor a memorandum of this lease in such form and so executed that it may be recorded or otherwise filed or registered in a manner sufficient under the laws of the State of Utah to give notice to all persons of Lessee's interest hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first hereinabove written,

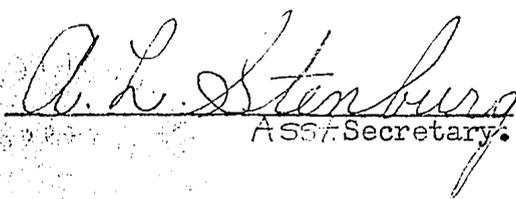
ATTEST:


Secretary

PROMONTORY-CURLEW LAND COMPANY

By  President.
LESSOR.

ATTEST:


Asst. Secretary.

UTAH SOUTHERN OIL COMPANY,

By  President.
LESSEE.

UTAH SOUTHERN OIL COMPANY

UTAH OIL BUILDING

SALT LAKE CITY, UTAH

July 11, 1949.

Promontory-Curlew Land Company,
c/o Herschel Pullen,
Logan, Utah.

Gentlemen: -

Reference is made to oil and gas lease between Promontory-Curlew Land Company and Utah Southern Oil Company dated the 25th day of October, 1948.

In consideration of the sum of \$1,000.00, delay rental, paid herewith to said Promontory-Curlew Land Company, said company agrees to extend for a period of one year the time within which Utah Southern may select acreage under said agreement covering the lands described in said lease situate in Box Elder County, Utah, and also to grant an extension of the period within which drilling operations may be deferred for an additional year, i. e., to September 8, 1952, provided that notice of intention to quitclaim the leasehold property, or to commence such drilling operations, shall be given by Lessee sixty (60) days prior to September 8, 1952.

As additional consideration for such extensions it is understood and agreed that in the event Utah Southern Oil Company does not elect to retain any acreage pursuant to the terms of said lease and option agreement, there will be made available to Promontory-Curlew Land Company copies of all geological reports and data which Utah Southern Oil Company may have in its possession and which refer to the lands covered and described in said oil and gas lease. It is understood that such geological information shall include the results of an aerial survey employing the magnetometer process, which Utah Southern is presently negotiating to have made.

If the above correctly reflects our understanding, will you please acknowledge the same by signing and returning the copy of this letter herewith enclosed for such purpose?

Very truly yours,

UTAH SOUTHERN OIL COMPANY,

ACKNOWLEDGED AND ACCEPTED:

PROMONTORY-CURLEW LAND COMPANY

By *Herschel Pullen*
Lessor.



By _____
President.

QUITCLAIM DEED

UTAH SOUTHERN OIL COMPANY, Grantor, a corporation of the State of Utah, hereby quitclaims to Promontory-Curlew Land Company of Logan, Utah, Grantee, for the sum of TEN (\$10.00) DOLLARS and other good and valuable considerations, receipt whereof is hereby acknowledged, all that property described in the Agreement of October, 25, 1948, by and between Grantor as Lessee and Grantee as Lessor, excluding and with the exception of the following tracts in which Grantor specifically retains an interest pursuant to said Agreement:

	<u>Acres</u>	Net Retained Acres <u>By Section</u>	Net Retained Acres <u>By Township</u>
<u>Lands situated in Box Elder County, Utah.</u>			
Township 9 North, Range 7 West, S.L.M.			
Lots 3 & 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 7,		160.45	
Lots 3 & 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 19,		160.07	
Lots 1, 2, 3, & 4, E $\frac{1}{2}$ NW $\frac{1}{4}$, Section 31,		<u>213.80</u>	534.32 Acres, More or Less
Township 9 North, Range 8 West, S.L.M.			
Lots 1 & 2, N $\frac{1}{2}$ SW $\frac{1}{4}$, Section 25,		154.38	154.38 "
Township 11 North, Range 5 West, S.L.M.			
SW $\frac{1}{4}$ Section 7,		160.46	160.46 "
Township 12 North, Range 6 West, S.L.M.			
SW $\frac{1}{4}$ Section 29,		160.00	
SW $\frac{1}{4}$ Section 31,		<u>160.00</u>	320.00 "
Township 12 North, Range 7 West, S.L.M.			
SW $\frac{1}{4}$ Section 3,		160.00	
SW $\frac{1}{4}$ Section 5,		160.00	
SW $\frac{1}{4}$ Section 6,		160.00	
SW $\frac{1}{4}$ Section 9,		160.00	
SW $\frac{1}{4}$ Section 11,		160.00	
SW $\frac{1}{4}$ Section 15,		160.00	
SW $\frac{1}{4}$ Section 17,		160.00	
SW $\frac{1}{4}$ Section 18,		160.00	
SW $\frac{1}{4}$ Section 23,		160.00	
SW $\frac{1}{4}$ Section 25,		160.00	
SW $\frac{1}{4}$ Section 27,		160.00	
SW $\frac{1}{4}$ Section 33,		160.00	
SW $\frac{1}{4}$ Section 35,		<u>160.00</u>	2,080.00 "

	Net Retained Acres By Section	Net Retained Acres By Township.
Lands situated in Box Elder County, Utah - Continued.		
Township 12 North, Range 8 West, S.L.M.		
SW $\frac{1}{4}$ Section 11,	160.00	
SW $\frac{1}{4}$ Section 23,	160.00	
SW $\frac{1}{4}$ Section 27,	160.00	
SW $\frac{1}{4}$ Section 35,	<u>160.00</u>	640.00 Acres, More or Less.
Township 13 North, Range 6 West, S.L.M.		
Lots 3 & 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 31,	159.80	159.80 "
Township 13 North, Range 7 West, S.L.M.		
SW $\frac{1}{4}$ Section 29,	160.00	
E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 34,	80.00	
SW $\frac{1}{4}$ Section 35,	<u>160.00</u>	400.00 "
Township 13 North, Range 10 West S.L.M.		
SW $\frac{1}{4}$ Section 3,	160.00	160.00 "
Township 14 North, Range 7 West, S.L.M.		
Lots 3 & 4, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 7,	159.69	159.69 "
Township 14 North, Range 9 West, S.L.M.		
SW $\frac{1}{4}$ Section 1,	160.00	
SW $\frac{1}{4}$ Section 5,	160.00	
SW $\frac{1}{4}$ Section 7,	159.94	
SW $\frac{1}{4}$ Section 9,	160.00	
SW $\frac{1}{4}$ Section 13,	160.00	
SW $\frac{1}{4}$ Section 15,	160.00	
SW $\frac{1}{4}$ Section 17,	160.00	
SW $\frac{1}{4}$ Section 19,	159.84	
SW $\frac{1}{4}$ Section 21,	160.00	
SW $\frac{1}{4}$ Section 23,	160.00	
SW $\frac{1}{4}$ Section 25,	160.00	
SW $\frac{1}{4}$ Section 27,	160.00	
SW $\frac{1}{4}$ Section 29,	160.00	
SW $\frac{1}{4}$ Section 31,	152.00	
SW $\frac{1}{4}$ Section 33,	160.00	
SW $\frac{1}{4}$ Section 35,	<u>160.00</u>	2,551.78 "
Township 14 North, Range 10 West, S.L.M.		
SW $\frac{1}{4}$ Section 21,	160.00	
SW $\frac{1}{4}$ Section 23,	160.00	
SW $\frac{1}{4}$ Section 25,	160.00	
SW $\frac{1}{4}$ Section 27,	160.00	
SW $\frac{1}{4}$ Section 29,	160.00	
SW $\frac{1}{4}$ Section 33,	160.00	
SW $\frac{1}{4}$ Section 35,	<u>160.00</u>	1,120.00 "

Net Retained Acres By Section	Net Retained Acres By Township.
-------------------------------------	---------------------------------------

Lands situated in Box Elder County, Utah - Continued.

Township 15 North, Range 8 West, S.L.M.

Lots 3 & 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 29,	106.29	106.29 Acres, More or Less.
--	--------	--------------------------------

Township 15 North, Range 9 West, S.L.M.

Lots 3 & 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 27,	97.53	
Lots 3 & 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 29,	93.76	
SW $\frac{1}{4}$ Section 33,	<u>160.00</u>	351.29 "

Township 15 North, Range 10 West, S.L.M.

Lots 3 & 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 25,	94.88	
Lots 3 & 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 27,	90.10	
Lots 3 & 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 29,	88.43	
SW $\frac{1}{4}$ Section 31,	156.16	
SW $\frac{1}{4}$ Section 33,	<u>160.00</u>	589.57 "

Total of all acreage in Utah retained by Grantor,	9,487.58 Acres, More or Less.
---	----------------------------------

IN WITNESS WHEREOF, the Grantor has executed this conveyance as of this 28th day of August, 1950.

ATTEST:

A. L. Steinberg
Secretary.

UTAH SOUTHERN OIL COMPANY,

By _____ President.

STATE OF UTAH)
 : SS
COUNTY OF SALT LAKE)

On the 28th day of August 1950, personally appeared before me GEORGE T. HANSEN, who, being by me fully sworn, did say that he is the President of Utah Southern Oil Company and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said George T. Hansen acknowledged to me that said corporation executed the same.

My commission expires

July 15 - 1955

B. W. Fischer
Notary Public,
Residing at Salt Lake City, Utah.