

SALT WATER DISPOSAL AGREEMENT

THIS AGREEMENT is made and entered into effective as of February 6, 1991, between B. A. Bingham & Sons, a partnership, 8860 North Highway 69 Honeyville, Utah 84314, Albert F. Bingham, partner; Earl L. Bingham, partner; Fred A. Bingham, partner; Clifford H. Bingham, partner; Don R. Bingham, partner; Marriner F. Bingham, partner (collectively, "Lessor"), and UNION PACIFIC RESOURCES COMPANY ("Lessee") P. O. Box 7, Fort Worth, Texas 76101-0007.

WITNESSETH, THAT:

WHEREAS, Lessor is the owner of the surface estate of the following described lands (the "Subject Lands") located in Summit County, Utah, to-wit:

Township 2 North - Range 7 East
Section 2: NW $\frac{1}{4}$ NW $\frac{1}{4}$

WHEREAS, Lessee desires to lease from Lessor such portions of the Subject Lands as are necessary to transport and dispose of salt water produced from oil and gas wells on and in the vicinity of the Subject Lands into the Exxon Company U.S.A. B. A. Bingham & Sons No. 1 Well (the "Subject Well"), located on the Subject Lands in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 2.

NOW THEREFORE, for and in consideration of the premises and other good and valuable considerations, the sufficiency of which are acknowledged, Lessor and Lessee agree as follows.

AGREEMENT

Lessor does hereby grant, lease and let unto Lessee the Subject Well and the Subject Lands for the purpose of utilizing the Subject Well as a salt water disposal well, and of returning through such well to subsurface formations salt water produced from wells producing oil and/or gas located on and in the vicinity of the Subject Lands, and for the purpose of locating flowlines, pumps, machinery, equipment and other materials thereon which are or may

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Union Pacific Resources

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be necessary or convenient to transport, save, treat, inject and dispose of such salt water.

For the same consideration, Lessor hereby grants, leases and lets unto Lessee the right to use and maintain an existing road for ingress and egress to the Subject Well, as well as such rights of way on and across the Subject Lands as may be reasonably necessary for laying and maintaining flowlines, pipelines and power lines for the operation of the salt water disposal facility.

Lessee, its successors and assigns, hereby agrees to protect and save Lessor harmless from all actions, claims and damages asserted by third parties arising out of or in any way incident to or connected with Lessee's operation of the salt water disposal facility, and Lessee agrees to defend, at its cost and expense, all such actions brought against Lessor and to pay all damages and costs associated therewith in the event any such action results in a final and unappealable judgment against Lessor. The rights granted hereunder shall at all times be subject to the terms and provisions of Lessee's permit to dispose of salt water issued by the governmental authorities having jurisdiction in such matters.

This Agreement shall be for a term of one (1) year from the effective date hereof, and so long thereafter as salt water is injected into subsurface formations through the Subject Well, or drilling or reworking operations are conducted on such well. Any suspension of the injection of salt water into subsurface formations through the Subject Well for a period of less than one hundred eighty (180) consecutive days shall not be considered as the cessation by Lessee of the injection of salt water under the terms this paragraph.

During the term of this Agreement, Lessee shall pay to Lessor as annual rental the sum of Four Thousand Dollars (\$4,000.00), payable in advance on or before any anniversary of the effective date hereof. Lessee's failure to timely pay any installment of annual

rental hereunder shall not serve to terminate this Agreement, but shall create a debt owing to Lessor hereunder, which debt shall bear interest at the rate of twelve percent (12%) per annum until paid in full. Notwithstanding the foregoing, Lessee may terminate this Agreement at any time by delivering to Lessor a written release in recordable form, along with any rental then due and owing to Lessor. Concurrently with the execution hereof, Lessee has paid to Lessor the sum of Four Thousand Dollars (\$4,000.00), which shall serve as the rental for the first year under this Agreement.

Lessor shall not restrict Lessee's access to the Subject Well and the Subject Lands. So long as Lessee is in compliance with the terms hereof, Lessor shall give Lessee a covenant of quiet enjoyment of the premises covered hereby.

All equipment and other personal property of Lessee which is installed and maintained on the Subject Lands by Lessee shall at all times remain the property of Lessee, and Lessee may at all times and from time to time install or remove any such equipment or personal property.

Lessor shall timely pay all real property taxes levied or assessed against the Subject Lands, and Lessee shall pay all taxes levied or assessed against its equipment and other personal property located upon the Subject Lands.

Lessee shall not be responsible for any change in ownership of the Subject Lands until Lessee shall have received written notice thereof, together with copies of recorded and certified documents evidencing such change in ownership.

Lessee shall have the right at any time during or within six (6) months of the termination of this Agreement to remove its property

and fixtures from the Subject Lands, including the right to draw and remove all casing. Upon the termination hereof, Lessee shall restore the surface of the lands used as nearly as practicable to the condition existing prior to the uses contemplated herein.

Notices under this Agreement shall be made in writing and shall be deemed effective upon receipt by the party to whom the notice is directed, as follows:

Lessor:
B. A. Bingham & Sons
8560 North Highway 69
Honeyville, Utah 84314

Lessee:
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101-0007

Each party may change its address for notice purposes by so advising the other party of such fact in writing.

The terms and provisions of this Agreement bind and shall inure to the benefit of the parties hereto, as well as their respective successors and assigns. This Agreement sets forth the entire understanding and agreements of the parties, and may only be amended by a writing executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth.

Tax I.D. No: 87-0399815

GRANTOR: B. A. Bingham & Sons, a partnership

Albert F. Bingham
Albert F. Bingham, partner

Earl L. Bingham
Earl L. Bingham, partner

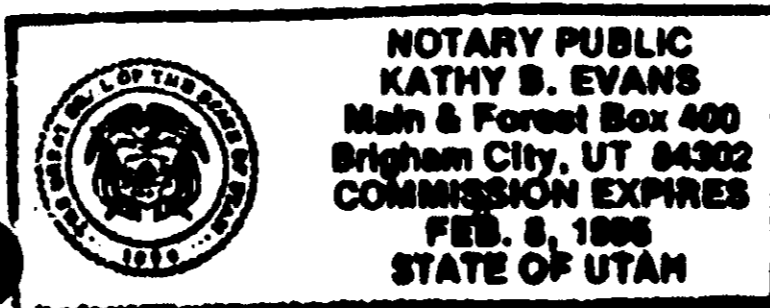
Fred A. Bingham
Fred A. Bingham, partner

Martiner F. Bingham
Martiner F. Bingham, partner

Don R. Bingham
Don R. Bingham, partner DC

Clifford H. Bingham
David Bingham, Attorney-in-Fact
for Clifford H. Bingham

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91.13th February A.D.
appeared before me
Albert F. Bingham
Earl L. Bingham
Don R. Bingham
Martiner F. Bingham
Clifford H. Bingham
and they executed

Kathy S. Evans

GRANTEE:

UNION PACIFIC RESOURCES COMPANY

By: *[Signature]*
Attorney-in-Fact *KPE*

ACKNOWLEDGEMENT

STATE OF UTAH)
COUNTY OF *Summit*) ss.

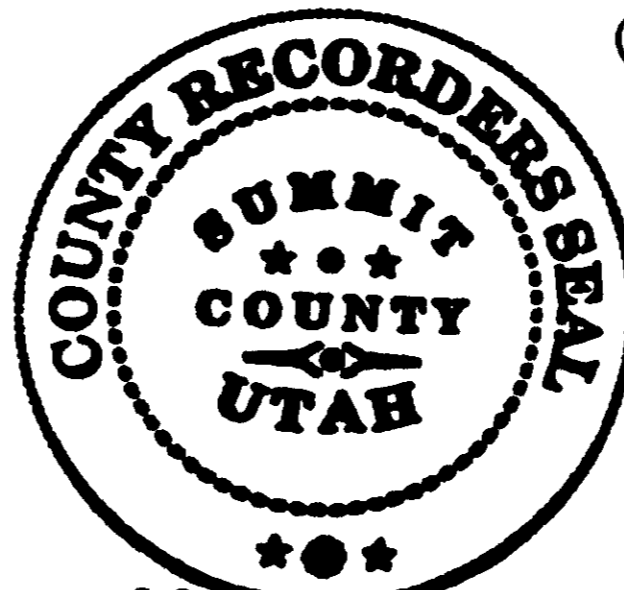
On the _____ day of February, 1991, personally appeared before me ~~Albert F. Bingham, Earl L. Bingham~~, Fred A. Bingham, Don R. Bingham as co-partners in B. A. Bingham & Sons, a partnership, the signers of the above instrument, who duly acknowledged to me that they executed the same.

Witness my hand and official seal.

Alan Spriggs
Notary Public *County Recader*
Coalville Utah

(seal)

My commission expires: *1-1-95*

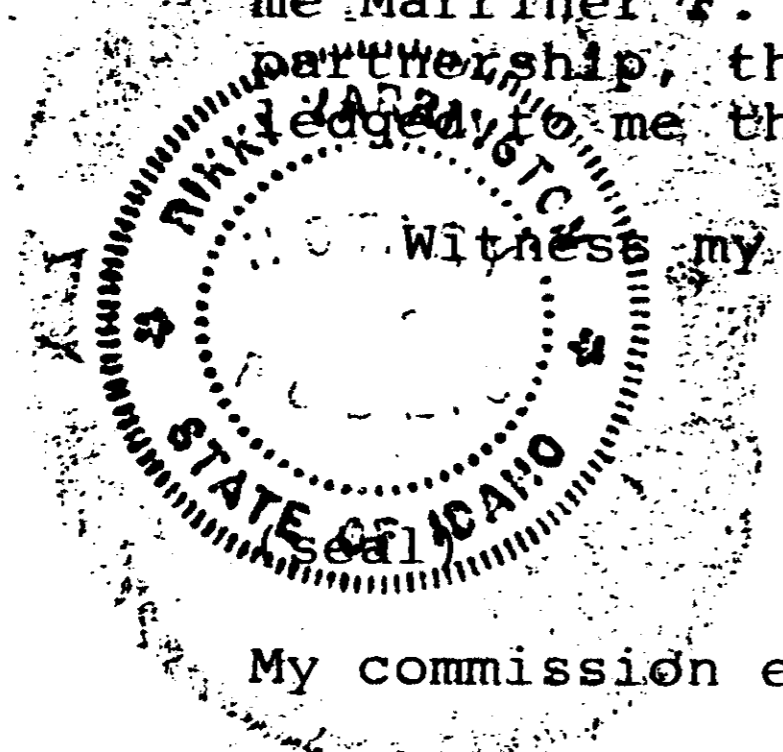


STATE OF IDAHO)
COUNTY OF *Canyon*) ss.

On the 9 day of February, 1991, personally appeared before me ~~Marriner F. Bingham~~, as co-partner in B. A. Bingham & Sons, a partnership, the signer of the above instrument, who duly acknowledged to me that he executed the same.

Witness my hand and official seal.

Rikki Harrington
Notary Public



My commission expires: *2/23/95*

STATE OF UTAH)
COUNTY OF *Summit*) ss.

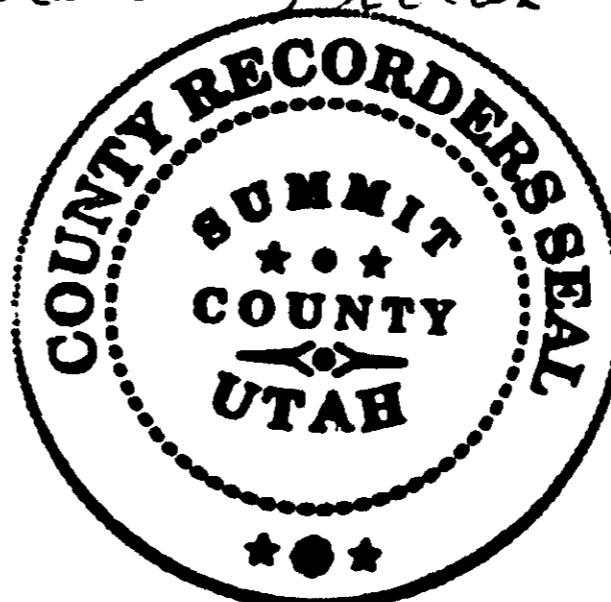
On the 6TH day of February, 1991, personally appeared before me David Bingham, who, being by me duly sworn, did say that he is the Attorney-in-Fact for Clifford H. Bingham, and that said instrument was signed in behalf of said Grantor by authority, and said David Bingham acknowledged to me that he as such Attorney-in-Fact executed the same.

Witness my hand and official seal.

Alan Spriggs
Notary Public *County Recader*
Coalville Utah

(seal)

My commission expires: *1-1-95*



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STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me by JOSEPH F CARROLL, Attorney-in-Fact for Union Pacific Resources Company, this 12TH day of MARCH, 1991.

Witness my hand and official seal.

Dorothy K. Moravek
Notary Public

(seal)

My commission expires:

