

#88629

## OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 20th day of February, 1950, by and between NADA LAND and LAND and LIVESTOCK CO. party of the first part, hereinafter called the Lessor, and R. L. Fenton, of Parowan, Iron County, State of Utah, party of the first part and hereinafter called the Lessee.

WITNESSETH: That the lessor for and in consideration of the sum of One Dollar in hand paid, receipt of which is hereby acknowledged, of the royalties herein provided, and of the agreements of Lessee herein contained hereby grants, leases, and lets exclusively unto lessee for the purpose of investigation, exploring, prospecting, drilling and mining for and producing oil, gas, and all related minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures hereon to produce, save, take care of, treat, transport, and own said products and for housing of employees, the following described land in Iron County, State of Utah, to-wit:

The Southwest Quarter of Section 3; The West Half and the Southeast Quarter of Section 4; The Northwest Quarter and the West half of the Northeast Quarter of Section 5; The North Half of the Northeast Quarter and the Northwest Quarter of the Northwest Quarter of Section 6; The West Half and the South Half of the Southeast Quarter of Section 8; The Southeast Quarter, the South Half of the Southwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 9; The East Half, the Southwest Quarter, The South Half of the Northwest Quarter, and the Northeast Quarter of the Northwest Quarter of Section 30; and The Southwest Quarter, the South Half of the Northwest Quarter, and the Northeast Quarter of the Northwest Quarter of Section 31; All the above listed lands being situate in Township 31 South, Range 12 West, Salt Lake Base and Meridian, in Utah and containing 2,540 acres, more or less.

Also, the East Half of Section 7, Township 32 South, Range 12 West, Salt Lake Base and Meridian, in Utah and containing 320 acres, more or less.

Also, The East Half of the Southwest Quarter, The Northeast Quarter of the Southwest Quarter, and the Northwest Quarter of the Southeast Quarter of Section 1; The North Half of Section 12; The West Half of Section 15; The West Half of Section 22; The West Half of Section 23; All of Section 25; All of Section 26; The Southeast Quarter of Section 28; The Northeast Quarter of Section 33; and the East Half of Section 35; All the above listed lands being situate in Township 31 South, Range 13 West, Salt Lake Base and Meridian, in Utah and containing 3,360 acres, more or less.

Also, The Southwest Quarter of Section 1; All of Section 2; The West Half of Section 3; All of Section 4; The South Half of Section 5; The east Half of Section 10; the South Half of Section 11; The West Half of Section 13; All of Section 15; and the East Half of Section 16; All of the above listed lands being situate in Township 32 South, Range 13 West, Salt Lake Base and Meridian, in Utah, and containing 4,000 acres, more or less.

The above descriptions are the correct descriptions according to the best information in the possession of the Lessor. In the event error appears in the above descriptions they shall be corrected by the parties to the land owned by the lessor.

To ha

To have and to hold the same for a term of three years from the date hereof, and as long thereafter as oil or gas or either of them is produced therefrom; or as much longer thereafter as the lessee in good faith shall conduct drilling operations thereon, and should production result from such operations, this lease shall remain in full force and effect as long as oil or gas shall be produced therefrom.

In consideration of the premises it is hereby mutually agreed as follows:

1. In the event production of oil or gas is encountered lessee shall pay to the lessor a royalty of one eighth of any production, free and clear from all costs and encumbrances, computed and accounted for at the mouth of any and all wells.
2. The Lessee may, at his option, extend this lease agreement for the period of one year, after the termination date, by payment of the sum of 25 cents per acre.
3. Lessee shall have the right to use gas, oil, and water produced on the said land, for its operation, except water now being produced by the lessors, from wells or other sources,

shall not be used by Lessee without special arrangement with the Lessor. All water developed by the Lessee shall be the property of the Lessor, and upon the abandonment of the operation, or any part of it, all Water Wells will be left on the property in the best condition possible.

4. This agreement, shall be binding upon the heirs, administrators, executors and assigns of the parties hereto.

IN WITNESS WHEREOF we have set our hands on this 25th day of May, 1950.

NADA LAND & LIVESTOCK CO.

Lessor

by J. Albert Smith

and Frank Carter

R. L. Fenton

Lessee

STATE OF UTAH  
COUNTY OF BEAVER ss.

On the 25th day of May, 1950, personally appeared before me S. Albert Smith & Frank Carter who being by me duly sworn, did say that they are the President & Sec. of NADA LAND & LIVESTOCK CO. and that said instrument was signed in behalf of said company by authority of resolution of Board and they acknowledged to me that said company executed the same.

In Witness Whereof I have hereunto set my hand and seal this 25 day of May, 1950.

(SEAL)

Patrick H. Fenton

Notary Public

Residing at Cedar City, Utah.

My Commission Expires  
17 Feb. 1952.

STATE OF UTAH  
COUNTY OF BEAVER ss.

On the 25 day of May, 1950 personally appeared before me R. L. Fenton, the signer of the above instrument who duly acknowledged to me that he executed the same.

In Witness Whereof I have hereunto set my hand and seal this 25 day of May, 1950.

(SEAL)

Patrick H. Fenton

Notary Public.

Residing at Cedar City, Utah.

My Commission expires  
17 February, 1952.

Filed for record July 12, 1950 at 4 P. M. at the request of R. L. Fenton.

Gargia B. Mitchell  
County Recorder.