

OIL AND GAS LEASE

Reception No. **165780** Fees \$9.00
Recorded **4-16-** 19 **80** at **11:02** M.
In Book **M156** Page **160-62** City _____
Utah State _____
Return To: **Robert Adkins**

THIS LEASE made and entered into this 16th day of April, 19 80, by and between LYNN E. RICHINS
and ALPHA M. RICHINS, husband and wife,

Lessor, (whether one or more) and SID TOMLINSON, P.O. Box 594, Twin Falls, Idaho 83301, Lessee,

WITNESSETH: 1. Lessor, for and in consideration of the sum of ten and more Dollars
(\$ 10.00 and more) paid as full and adequate consideration for all rights, powers and privileges granted herein, receipt of which is hereby acknowledged,
hereby grants, demises, leases and lets exclusively unto Lessee for the purpose of exploring, prospecting, drilling, mining and for producing oil, gas (gas for all purposes under this lease
being defined, without limitation, to include dry gas, casing head gas, distillate, condensate and all other gaseous substances) and other minerals, (other minerals as herein used meaning and
referring to other minerals, if any, produced in connection with oil and gas operations hereunder or as a byproduct of oil or gas), all of the following described land situated in the County of

Summit, State of Utah, GRANTOR:
Township 2 North, Range 4 East, S.L.M. GRANTEE:
Section 12: Lots 11, 12, 13, and 14 RELEASED:
ABSTRACTED:
STAMPED:

together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular forty-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and also together with the right to store, treat, manufacture, refine, transport and market substances produced hereunder and to lay pipe lines, build tanks, treating and manufacturing plants, gasoline recycling and repressuring plants, power houses and stations, telegraph and telephone lines, roads, canals, ditches, houses for employees and all other structures and facilities on the above described lands necessary or convenient in the exercise of Lessee's rights hereunder. Concurrently with any such use, such structures and facilities may also be used to serve operations on other lands.
If any strips or parcels other than those specifically described are included in the leased premises, then, upon Lessor furnishing Lessee with a satisfactory description of any such strips or parcels, Lessee shall pay or tender to Lessor an additional bonus on the same per-acre basis as paid Lessor for the acreage specifically described.

For the purpose of calculating all payments provided for herein, it shall be considered that the lands covered hereby comprise 159.44 acres, whether there may be more or less.
2. Subject to the further provisions hereof, this lease shall remain in force for a term of ten (10) years from this date, called "Primary Term", and as long thereafter as either (1) oil, gas, or other minerals are produced (whether or not in paying quantities) from the leased premises, or (2) operations are conducted on the leased premises, or (3) there is a well or wells on the leased premises which, although capable of producing oil, gas or other minerals in paying quantities hereunder is shut in for lack of a market or outlet.
Operations as used herein means all operations for the drilling of a well for oil or gas, including building of roads, preparation of the drill site, moving in for drilling, drilling, deepening, plugging back, reworking or recompleting and also secondary recovery operations benefiting the leased premises.

3. Lessee shall pay Lessor as royalty:
(a) One-eighth (1/8) of the then current market value at the mouth of the well of all oil and gas produced and saved hereunder by Lessee from the leased premises. Where Lessee sells gas produced hereunder, the royalty thereon shall, notwithstanding anything herein to the contrary, be payable on a basis not in excess of the price received for such gas.
(b) One-tenth (1/10) of then current market value at the mouth of the well for all other minerals produced and saved hereunder by Lessee from the leased premises except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton.
No royalty shall be payable on production used for the benefit of the leased premises or for the benefit of both the leased premises and other lands.

If oil, gas or other minerals capable of being produced in paying quantities are found on the leased premises but are not produced for lack of a market or outlet, and there is neither production from nor operations being conducted on the leased premises, this lease shall, nevertheless, be deemed to be a producing lease and Lessee shall pay, at the time such condition first occurs and for each yearly period thereafter that such condition exists, a royalty in an amount equal to the annual delay rental provided for hereunder.

4. If operations for the drilling of a well for oil or gas are not commenced on the leased premises on or before one (1) year from the date hereof, this lease shall terminate unless the Lessee shall, on or before such anniversary date, pay or tender to Lessor as rental or deposit or tender for deposit as rental to the credit of Lessor in the Walker Bank at Coalville, Utah, or its successor or successors (which bank and its successors are Lessor's agents and shall continue as the Depository for all rentals payable hereunder regardless of any change in ownership of the leased premises

One Hundred Fifty-nine and 44/100 Dollars (\$ 159.44), or rental payable hereunder) the sum of One Hundred Fifty-nine and 44/100 Dollars (\$ 159.44), provided, however, if Lessee shall, in good faith and with reasonable diligence attempt to pay any rental, but shall fail to pay or incorrectly pay some portion thereof, this lease shall not terminate unless Lessee, within thirty (30) days after written notice of its error or failure, shall fail to rectify the same, which payment shall maintain Lessee's rights hereunder in effect without commencement of operations for a period of one (1) year from and after such anniversary date. In like manner and upon like payment or tender annually the commencement of operations may be further deferred for like periods successively during the primary term hereof. Payment or tender of rentals may be made by check or draft of the party desiring to make such payment, mailed or delivered on or before such anniversary date. Payment or tender by mail will be deemed made when deposited in the United States mails and be presumed made on or before the anniversary date. If the named depository bank or successor shall refuse or fail or, because it has ceased doing business, be unable to accept any rental payment which Lessee desires to make hereunder, Lessor shall, by instrument in form acceptable to Lessee, designate another bank as depository and until acceptance by Lessee of such designation and for thirty (30) days thereafter, this lease shall remain in full force and effect and if, within such thirty-day period, Lessee shall have made payment or tender of such rental to the depository so designated, this lease shall continue in force as if the rental had been paid to and accepted by the depository bank named herein prior to the anniversary date. This section shall not be construed to effect a termination of this lease in contravention of the provisions of section 8.

5. If Lessor owns an interest in the oil, gas and other minerals in and under the leased premises or any part thereof which is less than the entire fee simple estate therein then, whether or not such less interest is referred to or described herein, (a) rentals and shut-in royalties provided for herein shall be payable only in the proportion which Lessor's interest in the oil, gas and other minerals in the leased premises bears to the entire undivided fee simple estate therein and (b) other royalties provided for herein shall be payable only in the proportion which Lessor's interest in the oil, gas and other minerals in the well or mine with respect to which royalties are payable bears to the entire undivided fee simple estate therein.

6. Lessee shall not be required to take cognizance of any change in ownership of the leased premises or rental or royalty provided for herein until forty-five (45) days after Lessee shall have been furnished by the party claiming the interests transferred with evidence satisfactory to it of such change. Such evidence shall include, without limitation, certified copies of all conveyances or other instruments of transfer recorded subsequent to the date of this lease showing the chain of title into the party claiming as a result of such change in ownership. If such change shall have come about as a result of death or other event not evidenced by an instrument in writing, the evidence required to be furnished to Lessee shall also include, without limitation, certified copies of estate, guardianship or other proceedings relating thereto. Notwithstanding the death, minority or other disability of any person entitled to receive rentals hereunder which Lessee may desire to pay, it shall be sufficient to keep this lease in force and fully effective for Lessee to tender such rental payment for deposit to the credit of such person or the estate of such person in the depository for rental payments named herein. Lessee may, until in writing specifically notified of an adverse claim thereto, rely upon any evidence furnished it pursuant to the provisions hereof, all irrespective of and without investigation as to any defects, irregularities, want of service, defect of service, lack of jurisdiction, or other possible ground of invalidity or nullity thereof. In no event shall Lessee be liable to any successor in interest of Lessor to all or any part of the leased premises for rental or royalty provided herein until forty-five (45) days after Lessee shall have been furnished with proof of interest or notice of adverse claim of such successors in interest and then, as to royalties, only for payments accruing after the first day of the following calendar month. In the event of any dispute at any time concerning the ownership of any interest in the leased premises or the royalty provided for herein, Lessee may withhold payment affected by such dispute without interest until such dispute is settled.

7. If at any time six or more persons be or become entitled to rentals or royalties they shall, at Lessee's request, by sufficient written instrument, designate a trustee to receive payment for all and Lessee shall be entitled to withhold payment hereunder until thirty (30) days after being furnished with such instrument.

8. (a) If, on any anniversary date hereof, oil, gas or other minerals are capable of being produced from or are being produced from the leased premises or operations are being conducted thereon, this lease shall continue in full force and effect without payment of any delay rental which might otherwise be payable on such date.
(b) If operations undertaken during the primary term cease and the leased premises are not at such time capable of being productive, or, if there is a cessation of both production and operations during the primary term hereof, this lease shall not terminate but shall continue in full force and effect until the second anniversary date hereof next ensuing, and thereafter, subject to compliance with the rental provisions hereof to the extent the same may be applicable.
(c) In the event of cessation of production and operations hereunder after the primary term hereof, the Lessee shall have a period of ninety (90) days within which to resume operations or production and if operations or production are resumed within such time, then this lease shall continue in force as if there had never been any interruption in operations or production, that is, subject only to the limitations set forth in Section 2 hereof.

Nothing in sub-paragraphs (b) and (c) of this section shall ever be construed to require termination of the lease either during or after the primary term, when it would otherwise be continued in effect under any other provisions of this lease.

9. Lessee shall have the right to use free of cost for Lessee's operations on the leased premises all water therefrom or found thereon except water from Lessor's water wells. At any time before or after the expiration of this lease, Lessee may remove all improvements, machinery, materials, casing and fixtures placed or erected by Lessee upon the leased premises.

10. Lessee shall pay Lessor for all damages caused by its operations hereunder on the leased premises, and, in its operations hereunder, Lessee shall not drill any well nearer than two hundred feet (200') to any barn or house of Lessor now on the leased premises without Lessor's consent in writing. When requested by Lessor, Lessee shall bury its pipe lines below plow depth. Also, when requested by Lessor, Lessee shall permit Lessor the privilege, at Lessor's risk and expense, to use dry gas from any dry gas well on the premises for stoves and inside lighting in the principal dwelling located on the leased premises, provided that such gas is not needed for operations hereunder.
11. If the leased premises are or shall hereafter be owned in severalty or in separate tracts or if the ownership of the right to receive royalties, delay rentals or other payments accruing to Lessor hereunder in the tracts covered by this lease now or hereafter varies as between the tracts, the leased premises shall, nevertheless, be developed and operated as one lease and no such division of ownership shall increase or enlarge the obligations, covenants or other burdens of Lessee hereunder whether express or implied and Lessee shall never be required separately to measure or store or separately to account for royalties or other payments on account of production from any particular portion of the land herein leased nor to protect any tract covered hereby from drainage on account of production from any other tract covered hereby. Royalties payable hereunder shall be treated as an entirety and shall be provided to the separate owners thereof in the proportion that the royalty interest owned by each bears to the entire royalty interest hereunder in the production so subject to royalty; provided, however, that Lessee shall never be required to pay on account of production from any well or mine covered hereby an amount more than Lessee would have to pay if this lease covered only the well or mine from which production is obtained.

12. If this lease is assigned or sub-leased in whole or, as to any segregated part, in whole, Lessor shall look solely to the assignee or sub-lessee for the performance of this lease as to the interest assigned or sub-leased and delay rentals herein provided for shall be apportioned ratably on an acreage basis between portions of the leased premises which become segregated by reason of any such assignment or sub-lease and default in rental payment as to one or more such segregated portions shall not affect this lease as to any portion of the leased premises in connection with which rentals are duly paid or tendered and any such default or failure in payment or tender of rentals shall be construed as a relinquishment of this lease only as to such lands.

13. Lessee shall have the right to utilize, pool, or combine all or any part of the above described lands with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as land covered by said plan, then the production allocated to any particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

See attached Paragraph #14 #15.

Paragraph

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If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fall or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rentals. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State legislative authority, or with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, forfeiture, reversion or revesting of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the basis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lessee or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith.

Lessee may at any time surrender this lease, in whole or in part, by delivering or mailing a release to the lessor, or by placing a release of record in the proper county. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

Lessor hereby releases and relinquishes any right of homestead, dower or courtesy they or either of them may have in or to the leased land. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

This lease and all its terms, conditions and stipulations binds each executing lessor and shall extend to and be binding on his assigns, heirs and devisees and successors, and those of the lessee, though unsigned by other lessors named herein.

IN WITNESS WHEREOF, We sign the day and year first above written.

(SEAL) Lynn E. Richins (SEAL)
(SEAL) LYNN E. RICHINS (SEAL)
(SEAL) Alpha M. Richins (SEAL)
(SEAL) ALPHA M. RICHINS (SEAL)

STATE OF UTAH }
COUNTY OF Summit } SS.

Arizona, Colorado, Idaho, Kansas, Montana
Nebraska, Nevada, New Mexico, North Dakota,
South Dakota, Utah, Wyoming
ACKNOWLEDGMENT — INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 16th day of April, 1980, personally appeared LYNN E. RICHINS
and ALPHA M. RICHINS, husband and wife

to me known to be the identical persons described in and who executed the within and foregoing instrument of writing and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires 12-22-82
Thomas M. Richins
Notary Public

STATE OF _____ }
COUNTY OF _____ } SS.

Arizona, Colorado, Idaho, Kansas, Montana
Nebraska, Nevada, New Mexico, North Dakota,
South Dakota, Utah, Wyoming
ACKNOWLEDGMENT — INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____, personally appeared _____
and _____ to me known to be the identical person

described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires _____
Notary Public

State of _____ }
County of _____ } SS.

ACKNOWLEDGMENT (For use by Corporation)

On this _____ day of _____, A. D. 19____, before me personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ of _____

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this _____ day of _____, A. D. 19____.

(SEAL) _____
Notary Public.

My Commission expires _____

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Volume _____ Page _____ of the records of this office.

By _____ Deputy

When recorded return to _____

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ATTACHED PARAGRAPH #14.

14. Notwithstanding anything to the contrary contained herein, if Lessee elects to pay the sixth year rental, the amount of the rental shall be \$100.00 per net mineral acre. This provision affects the sixth year rental payment only, and all other rental payments shall be \$1.00 per year per net mineral acre.

ATTACHED PARAGRAPH #15.

15. Lessee shall consult with Lessor prior to the location of any drill sites, roads, or structures that are placed upon the premises in order to minimize any interference with Lessor's farming operations.

SIGNED FOR IDENTIFICATION:

Lynn E. Richins
LYNN E. RICHINS

Alpha M. Richins
ALPHA M. RICHINS