

RIGHT-OF-WAY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT THE UNDERSIGNED, M. Cecil Clark and Roberta A. Clark, husband and wife, (hereinafter called "Grantor"), for the sum of Ten Dollars and other consideration in hand paid by American Quasar Petroleum Co. of New Mexico, the receipt of which is hereby acknowledged, does hereby grant and convey unto American Quasar Petroleum Co. of New Mexico, a corporation organized under the laws of the State of New Mexico (hereinafter called "Grantee"), its successors and assigns, an easement and right-of-way over, through, under and across the following described lands situated in Summit County, Utah ("subject lands"):

A strip of land 20 feet in width, being 10 feet on each side of the center line as shown highlighted in red on the plat marked Exhibit "A", attached hereto and made a part hereof, insofar as said plat relates to the SW/4 of Section 4, Township 2 North, Range 7 East, Salt Lake Base and Meridian. (82.24 Rods)

Grantee shall have the right, either as a common or private carrier, from time to time, to lay, construct, reconstruct, replace, renew, operate, maintain, repair, change the size of, and remove pipes and the pipelines, valves, fittings, and other equipment appurtenances as may be necessary or convenient for the transportation of oil, petroleum, or any of its products, gas, water and other substances, or any thereof, over, through, under and across the subject land. This easement and right-of-way is restricted to the construction, maintenance, and use of three pipelines in accordance with the terms hereof, which pipelines shall consist of one oil pipeline, one gas pipeline and one water pipeline. The pipelines must be laid and maintained in a ditch and shall not be more than three (3) feet in width. Grantee agrees to bury the pipelines below plow depth.

Together with rights of egress and ingress to and from said pipelines or equipment appurtenances for the purpose aforesaid; and as to the rights hereby granted, all rights of homestead are hereby released and waived. Grantor shall have the right of use and full enjoyment of the subject land so long as such use does not interfere with the rights of Grantee granted herein.

Grantee, its successors and assigns, hereby agrees to pay any damages which may arise to crops, timber, fences or buildings, of said Grantor from the exercise of the rights herein granted, said damages, if not mutually agreed upon, to be ascertained and determined by three (3) disinterested persons, one thereof to be appointed by the Grantor, one by the Grantee, or its successors or assigns, and the third by the two so appointed, and the award of such three persons, or any two of them, shall be final and conclusive. The cost of such arbitration shall be borne equally by Grantor and Grantee. Grantee agrees to save and hold Grantor harmless from the claims and demands of all persons whomsoever for all damages caused by or resulting from Grantee's use and exercise of the rights granted herein. Grantee hereby waives and releases Grantor from all claims of damages to the pipelines appurtenant equipment, and maintenance equipment caused by cattle, sheep or other domestic livestock operation and farming except for damage intentionally caused.

Grantee shall have the right to assign all or any part of the rights granted herein.

INDEXED: \_\_\_\_\_  
GRANTOR: \_\_\_\_\_  
GRANTEE: \_\_\_\_\_  
RELEASED: \_\_\_\_\_  
ABSTRACTED: \_\_\_\_\_  
STAMPED: \_\_\_\_\_

Entry No.	144172	Book	11103
RECORDED	2-2-78	9:17 A	Page 595-98
REQUEST of	American Quasar		
FEE	\$ 7.00	WANDA Y. STEPHENSON, COUNTY CO. RECORDER	
INDEXED		By <i>Wanda Y. Stephenson</i>	
		ABSTRACT	

BOOK # 109 PAGE 595

The easement and right-of-way is subject to the rights of the mineral estate and owners thereof, and the effect of any oil, gas or other mineral leases. It is further understood and agreed that the easement and right-of-way herein granted are subject to all rights-of-way and easements of record, discoverable from an inspection of the subject lands, or known to Grantee and to the continuing right of the Grantor to extend or renew any or all of said rights-of-way and easements and that the easement and right-of-way herein granted will continue to be subject to any right-of-way and easement of record which is extended or renewed.

This easement and right-of-way shall continue in force as long as said lands are used for maintenance and operation of such pipelines or appurtenances, but should such use terminate and Grantee, its successors or assigns, fail to use the pipelines or appurtenances for a period of twelve (12) consecutive calendar months, this easement and right-of-way shall terminate, cease and be nullified as fully and effectually as though this instrument had never been subscribed and delivered. In such event, Grantee, its successors or assigns, may remove its pipelines and all of its fixtures, appurtenances and other property within said right-of-way, and shall remove the same within three (3) months after Grantor shall mail Grantee, its successors or assigns, a written request therefor, in default of which said pipelines and all of the other property of Grantee, its successors or assigns, within said right-of-way shall become and remain the property of Grantor, and Grantee, its successors or assigns, shall have no further rights thereto. Grantee, its successors or assigns, after any such removal, shall restore the ground surface to its present condition as near as practicable and pay all damages caused Grantor thereby, subject to arbitration as provided above.

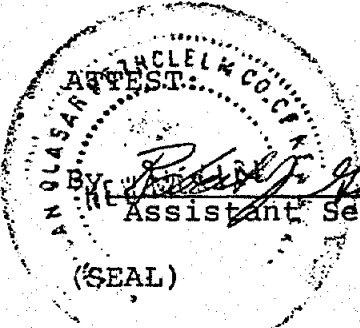
This easement and right-of-way shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Grantor and Grantee have executed this Agreement this 10th day of January, 1978.

WITNESS:

Rebecca Chapman  
Brack Simpson

M. Cecil Clark  
M. Cecil Clark  
Roberta A. Clark  
Roberta A. Clark



BY Robert J. Huber  
Assistant Secretary

AMERICAN QUASAR PETROLEUM CO. OF  
NEW MEXICO

BY James H. Dickson  
James H. Dickson-Vice President

STATE OF UTAH )  
COUNTY OF ) ss.

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 10th day of January, 1978, personally appeared M. Cecil Clark and Roberta A. Clark, 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 duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: 6-6-80

*Alan C. Simister*  
Notary Public

**ALAN C. SIMISTER**  
NOTARY PUBLIC - STATE OF UTAH  
My Commission Expires 6-6-80

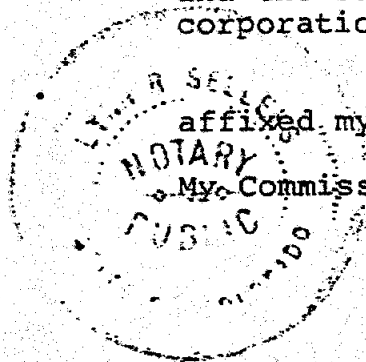
STATE OF COLORADO )  
CITY AND COUNTY OF DENVER ) ss.

On the 4th day of January, 1978, personally appeared before me James H. Dickson, who being by me duly sworn, did say that he is the Vice President of American Quasar Petroleum Co. of New Mexico, and that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors, and the said James H. Dickson duly acknowledged to me that said corporation executed the same.

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

My Commission Expires: 5/25/80

*Robert G. Sells*  
Notary Public



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EXHIBIT "A"

