

FILED
FIFTH DISTRICT COURT
MAY 22 AM 11:23
BEAVER COUNTY

WHEN RECORDED, RETURN TO:

Sidney G. Baucom
Jones, Waldo, Holbrook & McDonough
170 South Main Street, Suite 1500
Salt Lake City, UT 84101

E 206732 B 326 P 752
Date 22-MAY-2000 12:48pm
Fee: 254.00 Check
R BRUCE BROWN, Recorder
Filed By RBB
For JONES WALDO & HOLBROOK
BEAVER COUNTY CORPORATION

ASSIGNEE'S ADDRESS:

Barbara Ann Lucy Hilton
1396 North 500 East
Pleasant Grove, Utah 84062

ASSIGNMENT OF LEASES

This Assignment of Leases is between HILDA R. HANSON, GEORGE A. LUCY, BARBARA ANN LUCY HILTON, in their own right and as Personal Representatives of the Estate of Verdeen H. Lucy, Deceased, hereinafter referred to as "Assignors," and BARBARA ANN LUCY HILTON, hereinafter referred to as "Assignee."

RECITALS

WHEREAS, certain leases exist wherein Assignors or Assignors' predecessors are designated as Lessors or Owners, and the Roosevelt Hot Springs Corp. is designated as Lessee, which said leases are attached hereto as Exhibit "A" (wherein the G. Aaron Hanson Sheep Company was designated as Lessor and Barr Smedley was designated as Lessee on September 30,

1971 and recorded at Book 119, Pages 475-477 in Beaver County, Utah, and recorded on January 13, 1972 at Book 85, Pages 213-215 in Millard County, Utah); Exhibit "B" (wherein Hilda R. Hanson and Verdeen H. Lucy were designated as Lessors, and the Roosevelt Hot Springs Corp. was designated as Lessee on February 2, 1983 and recorded at Book 200, Pages 331-333 in Beaver County, Utah, and recorded at Book 170 Page 297 in Millard County, Utah on February 13, 1983); Exhibit "C" (wherein Hanson Land & Livestock Company was designated as Lessor, and Barr Smedley was designated as Lessee on September 30, 1971 and recorded at Book 119, pages 476-479 in Beaver County, Utah); Exhibit "D" (wherein Hilda R. Hanson and Verdeen H. Lucy were designated as Lessors, and the Roosevelt Hot Springs Corp. was designated as Lessee on February 2, 1983 and recorded at Book 200, Pages 333-335 in Beaver County, Utah) with typed in notation of this renewed Confirmation Mineral Lease as (Ratifying & Adopting Mineral Lease dated September 30, 1971, recorded as No. 118755, pp. 478-479, Book 119, records of Beaver Co., Utah) (the extra copy of this Lease bearing the County Recorder's date stamp and recording information); Exhibit "E" (being the Unititization Agreement for the Development and Operation of the Roosevelt Hot Springs Unit Area in Beaver County and recorded at Book 250, Pages 693-730); and Exhibit "F" (wherein Verdeen H. Lucy and Hilda R. Hanson were designated as Lessors, and the Roosevelt Hot Springs Corp. was designated as Lessee on March 5, 1981 and recorded on April 14, 1982 in Book 193, Pages 141-142 in Beaver County, Utah); and

WHEREAS, it is the desire of Assignors to assign all of their right, title and interest in said leases to Assignee.

NOW, THEREFORE, in consideration of the mutual promises made between Assignors and Assignee, they having bargained one with the other and for Ten Dollars and other good and valuable consideration, Assignors and Assignee agree as follows:

SECTION ONE

ASSIGNMENT

Assignors hereby assign to Assignee all of Assignors' right, title and interest under all currently existing and future leases, including, but not limited to those set out as Exhibit "A" together with all rents, royalties, issues, profits, revenues, delinquent rentals, escalation payments, rights in any unitization agreements, and all deposits or monies due or to become due under the said Leases.

SECTION TWO

COMPLETE ASSIGNMENT

These Assignments to Assignee are absolute assignments of Assignors' entire right, title and interest in the leases, rents and royalties, and all other rights enumerated above, and are not intended in a mortgage, trust conveyance, deed of trust, collateral assignment or security interest, or an instrument intended to take effect on the demise of any of Assignors. On delivery of this

Assignment, Assignors shall have no further interest, including any right of redemption or claims concerning this Assignment or proceeds which may be derived from this Assignment.

SECTION THREE

ACCEPTANCE OF ASSIGNMENT

Assignee accepts the foregoing Assignment, and agrees to assume any known commitments, obligations or liabilities of Assignors under the assigned leases which arise on or after the date of this Assignment, and Assignee agrees to defend and indemnify Assignors from any liability, damages, causes of action, expenses and attorney's fees incurred by Assignors by reason of the failure of Assignee to perform and discharge any and all commitments, obligations and liabilities assumed from Assignors.

DATED this 11th day of May, 2000.

"ASSIGNORS"

Hilda R. Hanson

Hilda R. Hanson, in her own right and as personal representative of the Estate of Verdeen H. Lucy, deceased

George A. Lucy

George A. Lucy, in his own right and as personal representative of the Estate of Verdeen H. Lucy, deceased

Barbara Ann Lucy Hilton

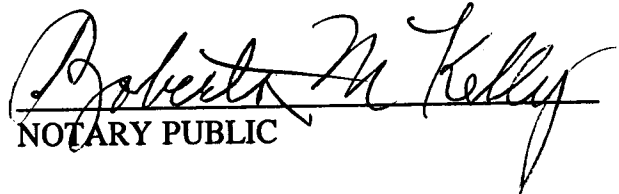
Barbara Ann Lucy Hilton, in her own right
and as personal representative of the Estate
of Verdeen H. Lucy, deceased

"ASSIGNEE"

Barbara Ann Lucy Hilton
Barbara Ann Lucy Hilton

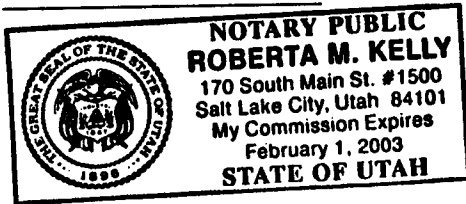
STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 11th day of May, 2000, by Hilda R. Hanson, in her own right and as Personal Representative of the Estate of Verdeen H. Lucy, Deceased.


NOTARY PUBLIC

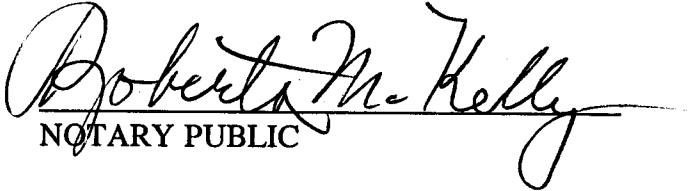
Residing at: _____

My Commission Expires:



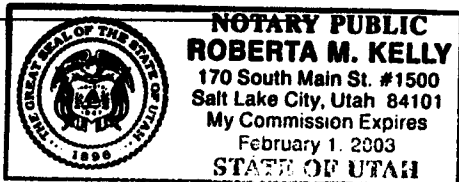
STATE OF UTAH)
 : SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 11th day of May, 2000, by George A. Lucy, in his own right and as Personal Representative of the Estate of Verdeen H. Lucy, Deceased.


NOTARY PUBLIC

Residing at: _____

My Commission Expires:



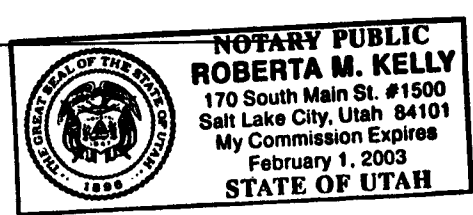
STATE OF UTAH)
): SS.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 11th day of May, 2000, by Barbara Ann Lucy Hilton, in her own right, as Personal Representative of the Estate of Verdeen H. Lucy, Deceased, and as Assignee.

Roberta M. Kelly

NOTARY PUBLIC
Residing at: _____

My Commission Expires:



This is Lease, find Renewal, from attached

NO. 118754

MINERAL LEASE

AGREEMENT, made and entered into this 30th day of ~~XIXXX~~ September, 1971, by and between G. AARON HANSON SHEEP COMPANY, a Utah Corporation, of 4215 West 4100 South Street, Granger, Utah, 84120

BARR SMEDLEY, of Salt Lake City, Utah

WITNESSETH: That the lessor for and in consideration of ~~*****TEN and more Dollars*****~~ party of the first part, hereinafter called lessor (whether one or more), and party of the second part, lessee, in hand paid, receipt of which is hereby acknowledged, of the royalty herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for by any means whatsoever, and producing, extracting, treating by any and all means or otherwise removing and disposing of ~~minerals~~ minerals (expressly including but not limited to oil, gas, coal, steam, hot water, sulfur, mercury, precious and base metals, salts, chemicals, or material of value, and their related products and by-products) in, upon, or under the following described land situated in MILLARD and BEAVER County, State of UTAH, to-wit:

Township 26 South, Range 9 West, SIM.

- Section 6: SE/4; 35.68 acres Beaver County 124.32 Sec. 6 millard Co.
- Section 7: Lots 3, 4, E/2SW/4, NE/4; 409.52 acres 324.76
- Section 17: W/2; 320 acres
- Section 18: Lots 1, 2, 3, 4, E/2W/2, E/2 (All); 645.28 acres
- Section 19: Lots 3, 4, E/2SW/4, SE/4 (S/2); 325.61 acres
- Section 20: W/2; 320 acres
- Section 29: W/2W/2, E/2NW/4, NE/4SW/4; 280 acres
- Section 30: E/2, SE/4SW/4; 360 acres
- Section 31: Lots 1, 2, E/2NW/4, NE/4 (N/2); 326.34 acres

Total acreage 160.00

Township 27 South, Range 9 West, SIM.

- Section 4: Lots 2, 3, 4, S/2N/2; 309.72 acres
- Section 5: Lots 3, 4, S/2NW/4, N/2SW/4, SE/4SW/4; 299.83 acres

Township 26 South, Range 10 West, SIM.

- Section 15: E/2; 320 acres
- Section 23: All; 640 acres
- Section 24: Lots 1, 2, 3, 4, W/2E/2, W/2 (All); 637.16 acres
- Section 26: All; 640 acres
- Section 27: All; 640 acres
- Section 34: All; 640 acres
- Section 35: All; 640 acres

7823.70 containing 7,828.25 acres, more or less.

RECORDED AT REQUEST OF Paul T. Walker
DATE Jan 13, 1972 TIME 8:34 AM
BOOK 119 OF REC. PAGE 475 FEE \$6.00
By [Signature] Deputy Recorder of Millard County, Utah

NO. 2685

FILED FOR RECORD
DEC 22 1971
Louis Hession
Beaver County Recorder

213

BOOK 119 PAGE 475

containing -----7,828.25----- acres, more or less, together with the right to own said minerals as defined hereinabove and the right to construct and maintain on said lands all appurtenances necessary or convenient for economic operation of said lands, alone or conjointly with neighboring land, to the full enjoyment thereof.

TO HAVE AND TO HOLD the same (subject to the other provisions contained herein) for a primary term of ten years from and after the date hereof (called "primary term") and for so long thereafter as any mineral as defined hereinabove is being produced in commercial quantities by any process or method of operation in, upon, or under said land; or as much longer thereafter as the lessee in good faith shall conduct operations thereon, and should production result from such operations, this lease shall remain in full force and effect as long as such commercial production is obtained. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for production within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues. (The phrase "produced in commercial quantities" as used in this lease shall mean production of any mineral or minerals in, upon, or under the above described lands, or any of the lands within the area of an approved unit or cooperative plan of development or consolidation to which this lease has been committed, the production from which is sufficient during each calendar year to yield a minimum royalty payment to lessor as hereinafter provided equal to \$1.50 per mineral acre for all mineral acres of land held by lessee under this lease.)

IN CONSIDERATION OF THE PREMISES, it is hereby mutually agreed as follows:

1. This lease shall terminate as to both parties, unless the lessee shall on or before one year from date hereof, pay or tender to the lessor or for the lessor's credit in ----- Bank at ----- Dollars, which bank and its successors are lessor's agents and which shall continue as the depository regardless of changes in the ownership of the land, or its successor, ----- THREE THOUSAND NINE HUNDRED FOURTEEN & 50/100 (\$3,914.50) ----- Dollars, which shall operate as a rental for a period of one year from said date. In like manner, like payments or tenders shall operate as rentals for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner provided shall be binding on the heirs, devisees, executors and administrators of such persons. All rentals paid pursuant to this section shall be credited against the royalties which may accrue on production during the year for which such rental is paid.

In the event there is no mineral being produced in "commercial quantities" as defined hereinabove at the end of the primary term of this lease, this lease shall be renewable, in whole or in part, upon the same terms and conditions for a like ten year period upon written notice by lessee to lessor or lessor's agent at least 90 days prior to the expiration date of the primary term of this lease, and upon payment or tender in aforesaid manner to lessor or lessor's credit in said depository bank of the sum of ----- 50¢ (\$0.50) ----- Dollars for each mineral acre owned by lessor to be thus extended and renewed, which payment shall operate as a rental in the aforesaid manner.

2. Lessee agrees to pay to lessor as royalty a sum equal to Five Percent (5%) of the gross value of all products and by-products from any mineral or minerals (not including petroleum products produced) in the crude or initial form in which such production shall be removed, extracted or produced, saved and sold from the leased premises, at the point of transportation to market. (For the purpose of computing the gross value at the point of transportation to market for the application of royalty on any mineral or minerals, due consideration shall be given to all prices paid for the major portion of the production of like quality produced from lands in the same general area, the actual price received by the lessee, the posted price if any, and other relevant matters; but in no event shall the gross value for this purpose be more than the actual price received by the lessee for production from the leased premises.)

At such time as lessee produces oil, gas, steam, or hot water from the leased premises:

- (1) Lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks, and
 - (2) Lessee shall pay lessor as royalty one-eighth (1/8) of the proceeds from the sale of gas produced from wells where gas only is found, and where not used or sold shall pay Fifty (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a producing well.
 - (3) Lessee shall pay lessor for steam, or hot water, produced from any well and used off the premises or in the manufacturing of electricity or any other product a royalty of one-twentieth (1/20) of the market value, at the mouth of the well, payable monthly at the prevailing market price.
3. Lessee shall have the right to use, free of royalty cost, any gas, oil, minerals, steam or hot water developed from said leased land for lessee's operations thereon, so long as used solely to recover products from or to process or refine products from lessor's land. Lessee shall have the right to use, free of cost, water produced on said land for its operations thereon, except water from wells of lessor. When requested by lessor, lessee shall bury any pipe lines below water depth, and no operations shall be commenced nearer than 200 feet to any house or barn now existing on said lands, without the written consent of the lessor. Lessee shall have the right at any time to remove all improvements, machinery, and fixtures placed or constructed by lessee in, on or under said premises. Lessee's liability for damages to the leased premises arising out of operations under this lease shall be limited to actual damages to range and agricultural improvements only and to growing crops on said lands at the time of such damage.

It is understood that lessee may encounter mineral deposits at such depth or of such nature as to require special or unusual methods of mining, producing or extracting to produce the valuable substances economically. These methods include but are not limited to the drilling of large diameter bore holes, sinking shafts, driving tunnels or other means of entry. Likewise, the mineral deposits may require some form of subsurface fracturing or breaking in order to stimulate the production or facilitate the extractive processes. Such aforesaid methods may cause some surface disturbance that may require monitoring devices to aid lessee in evaluating and directing these underground treatments. It is also possible these said special or unusual methods may create new products underground. It is understood between the parties hereto that any or all of the aforementioned occurrences are in contemplation of the parties hereto, and the occurrences thereof shall not constitute a breach of this contract. It should be further understood that lessee is agreeable to making payment to lessor for any reasonable damage claim arising from any or all of the aforementioned occurrences.

Should lessee deem it necessary or desirable in the course of operations to construct ponds, roadways, pipelines, telephone lines, gasoline plants, electric generating plants, stations and transmission lines, or other structures, or for any other reason, lessee shall have the right to purchase all or any part of the lands under this lease, including in this purchase any and all water rights appertaining to such lands, as may be required for such purposes at the rate of ----- Necessary land will be made available when needed but price to be negotiated at that time ----- per acre, paid to lessor or for lessor's credit in the depository bank hereinabove designated, in the manner hereinabove described. Lessor shall formally consent to any such sale by forthwith executing any and all documents necessary to achieve same upon request of lessee.

4. In the event oil, gas, steam, hot water, or other valuable minerals are found by drilling or other means, lessee shall have the exclusive right to fracture the containing rock by injecting water, brine, steam, acid, or other fluids into the subsurface strata or reservoir, or by detonating devices containing nitroglycerine, ammonium nitrate, TNT, or any other form of explosive energy to stimulate the production or to increase the efficiency of the recovery of the valuable substances therefrom.

5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

6. 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, and assigns, but no change in ownership in the land or in the rentals or royalties shall be binding on the lessee until after notice to the lessee, and it has been furnished with the written transfer or assignment or a certified copy thereof, and in case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. Lessee is expressly granted the right to assign, in whole or in part, any and all mineral interests covered by this lease.

8. Lessee shall have the right to utilize, pool, combine, or consolidate all or any part of the above described lands in the same general area as to all minerals or any separate mineral covered by this lease by entering into a cooperative or unit plan of development or operation, and from time to time, 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 cooperative or unit plan of development or operation, and, particularly, all development requirements of this lease, express or implied, shall be satisfied by compliance with the development requirements of such plan or agreement, if any, 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 purposes of computing the royalties to be paid hereunder to lessor, be regarded as 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 by executing the same upon request of lessee.

9. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein is situated an instrument identifying and describing any acreage so utilized, pooled, combined, or consolidated.

10. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises nevertheless shall be operated and developed as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to effect production on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise, or to furnish separate receiving facilities for any production. It is hereby agreed that in the event this lease shall be assigned as to a part or parts of the above described land and the holder or owner of any such part or parts shall make default in payment of the proportionate part of the rental due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division orders on behalf of said parties, and their respective successors in title.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such tax, mortgage, or other lien, any royalty or rentals accruing hereunder.

12. It is lessor's expressed intent to lease hereunder all of the interest, which he may now or from time to time hereafter during the term of this leasehold or claim in all minerals in, under, or that may be produced from the described lands whether or not such interest is presently vested in lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided hereinabove with respect to change in ownership of leased premises.

13. All rental payments which may fall due under this lease shall be made to lessor at above address ^{to} lessor at above address ~~one of the above named lessors~~, in the manner herein stated.

14. Other provisions of this lease to the contrary notwithstanding, it is agreed that this lease shall never be forfeited or cancelled for failure to perform in whole or in part of its implied covenants, conditions, or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable time therefrom to comply with any such covenants, conditions, or stipulations.

15. This lease shall be subject to all federal and state laws, executive orders and rules and regulations. All obligations of lessee, except the payment of minimum rentals, shall be suspended while, but only as long as lessee is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or services in open market, inadequate facilities for the transportation of materials, any state or federal law, regulation or order, or other matters, exclusive of financial inability of lessee, beyond the reasonable control of lessee, whether similar to the matters herein specifically enumerated or not; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further, that lessee shall not be required to expend its will to adjust any labor dispute or to question the validity of or to refrain from judicially testing the validity of any state or federal order, regulation, or law.

16. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

17. With respect to and for the purpose of this lease lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

IN TESTIMONY WHEREOF witness our hands as of the day and year first above written.

ATTEST:

Thomas W. Peterson Secretary

G. AARON HANSON SHEEP COMPANY President

ACKNOWLEDGMENT

STATE OF UTAH } ss. (Corporate acknowledgment for use in Utah)

COUNTY OF Salt Lake }

On the 30th day of September A. D., 19 71, personally appeared before me Thomas W. Peterson who being by me duly sworn, did say that he is the President of G. AARON HANSON SHEEP COMPANY and that said instrument was signed in behalf of said corporation.

and said Thomas W. Peterson acknowledged to me that said corporation executed the same. Given under my hand and seal this 30th day of September 19 71

My Commission Expires January 1, 1974

Joseph H. Peterson Notary Public

Address: Salt Lake City, Utah

On this 30th day of September, 19 71, before me personally appeared Thomas W. Peterson to me known to be the person... described in and who executed the foregoing instrument and acknowledged that... executed the same as... free act and deed, including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and seal this 30th day of September, 19 71

My Commission Expires January 1, 1974

BOOK 119 PAGE 477

Notary Public

215

Residing at:

MINERAL LEASE

From OFFICE OF MILLARD COUNTY RECORDER

INDEXED GRANTED GRANTOR

ABSTRACTED SEC. To LOT BLK

PHOTO PLAT PLATED

State of Utah County Salt Lake ss.

This instrument was filed for record on the 30th day of September, 19 71, at 10:00 o'clock, A.M., and duly recorded in Book 119, Page 477, of the Salt Lake records of this office.

County Clerk - Registrar of Deeds Joseph H. Peterson Deputy

BOOK 119 PAGE 477

General Lease CONFIRMATION

File M-26-Rev.
No. 116754-Rev.

MINERAL LEASE

(Ratifying & Adopting Mineral Lease dated September 30, 1971, recorded in Millard Co. Book 119, pp. 475-477, Beaver Co., and Book 85, Records, pp. 211 & 215, 95888, No. 116754. AGREEMENT, made and entered into this 2nd day of February, 1982, by and between HILDA R. HANSON & VERDEEN H. LUCY, as joint tenants with right of survivorship, of 1973 Yale Avenue, Salt Lake City, Utah 84108

party of the first part, hereinafter called lessor (whether one or more), and ROOSEVELT HOT SPRINGS CORP., a Utah Corporation, of 1102 Walker Building, Salt Lake City, Utah 84111

party of the second part, lessee. *****Ten and More Dollars*****

WITNESSETH: That the lessor for and in consideration of the royalty herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for by any means whatsoever, and producing, extracting, treating by any and all means or otherwise removing and disposing of all minerals (expressly including but not limited to oil, gas, coal, steam, hot water, sulfur, mercury, precious and base metals, salts, chemicals, or materials of value, and their related products and by-products) in, upon, or under the following described land situated in MILLARD and BEAVER County, State of UTAH to-wit:

(Description Rider Attached hereto and made part hereof.)

Township 26 South, Range 9 West, SIM.

Total acreage 150 ←

- Section 6: SE/4; 356 acres Beaver County, 12432 acres Sec 6 Millard County
- Section 7: Lots 3, 4, E/2SW/4, NE/4; = 324.76 acres
- Section 17: W/2; 320 acres
- Section 18: Lots 1, 2, 3, 4, E/2W/2, E/2 (All); = 645.28 acres
- Section 19: Lots 3, 4, E/2SW/4, SE/4 (S/2); = 325.61 acres
- Section 20: W/2; 320 acres
- Section 29: W/2W/2; E/2NW/4, NE/4SW/4; = 280 acres
- Section 30: E/2, SE/4SW/4; = 360 acres
- Section 31: Lots 1, 2, E/2NW/4, NE/4 (N/2); = 326.34 acres

Township 27 South, Range 9 West, SIM.

- Section 4: Lots 2, 3, 4, S/2N/2; = 309.72
- Section 5: Lots 3, 4, S/2NW/4, N/2SW/4, SE/4SW/4; = 299.83 acres

Township 26 South, Range 10 West, SIM.

- Section 15: E/2; 320 acres
- Section 23: All; 640 acres
- Section 24: Lots 1, 2, 3, 4, W/2E/2, W/2 (All); = 637.16 acres
- Section 26: All; = 640 acres
- Section 27: All; = 640 acres
- Section 34: All; = 640 acres
- Section 35: All; = 640 acres

containing 7,828.70 acres, more or less.

H. R. 28.
U. H. T.

This lease is recorded in Beaver County Book 200 pages 331-332-333 Feb. 13, 1983 Book 170 page 297 records of said Millard County.

1969

CONFIRMATION

1450

File M-26-Rev
No. 118754-Rev

MINERAL LEASE
(Ratifying & Adopting Mineral Lease dated September 30, 1971, recorded No. 118754, Book 119, pp. 475-477, Beaver Co., and Book 852, Records, pp. 213+215, #2685, Millard County, Utah, made and entered into this day of February, 1982, by and between **HILDA R. HANSON & VERDEEN H. LUCY**, as joint tenants with right of survivors of 1973 Yale Avenue, Salt Lake City, Utah 84108

party of the first part, hereinafter called lessor (whether one or more), and **ROOSEVELT HOT SPRINGS CORP.**, a Utah Corporation, of 1102 Walker Building, Salt Lake City, Utah 84111 party of the second part, lessee.

WITNESSETH: That the lessor for and in consideration of *******Ten and More Dollars******* in hand paid, receipt of which is hereby acknowledged, of the royalty herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for by any means whatsoever, and producing, extracting, treating by any and all means or otherwise removing and disposing of all minerals (expressly including but not limited to oil, gas, coal, steam, hot water, sulfur, mercury, precious and base metals, salts, chemicals, or material of value, and their related products and by-products) in, upon, or under the following described land situated in **MILLARD and BEAVER** County, State of **UTAH** to-wit:

(Description Rider Attached hereto and made part hereof.)

Township 26 South, Range 9 West, SIM.

- Section 6: SE/4; = 356.8 acres *Beaver County 174.32 acres plus 6 Millard County*
- Section 7: Lots 3, 4, E/2SW/4, NE/4; = 324.76 acres
- Section 17: W/2; = 320 acres
- Section 18: Lots 1, 2, 3, 4, E/2W/2, E/2 (All); = 645.28 acres FILED FOR RECORD
- Section 19: Lots 3, 4, E/2SW/4, SE/4 (S/2); = 325.61 acres 9:00 o'clock A.M.
- Section 20: W/2; = 320 acres
- Section 29: W/2W/2; E/2NW/4, NE/4SW/4; = 280 acres FEB 18 1983
- Section 30: E/2, SE/4SW/4; = 360 acres
- Section 31: Lots 1, 2, E/2NW/4, NE/4 (N/2); = 326.34 acres Fee \$ 14.50

Township 27 South, Range 9 West, SIM.

- Section 4: Lots 2, 3, 4, S/2N/2; = 309.72
- Section 5: Lots 3, 4, S/2NW/4, N/2SW/4, SE/4SW/4; = 299.83 acres

Township 26 South, Range 10 West, SIM.

- Section 15: E/2; = 320 acres
- Section 23: All; = 640 acres
- Section 24: Lots 1, 2, 3, 4, W/2E/2, W/2 (All); = 637.16
- Section 26: All; = 640 acres
- Section 27: All; = 640 acres
- Section 34: All; = 640 acres
- Section 35: All; = 640 acres

containing 7,828.70 acres, more or less.

BOOK 200 PAGE 33/114-2

containing 7,828.70 gross acres, more or less, together with the right to own said minerals as defined hereinabove and the right to construct and maintain on said lands all appurtenances necessary or convenient for economic operation of said lands, alone or conjointly with neighboring land, to the full enjoyment thereof.

TO HAVE AND TO HOLD the same (subject to the other provisions contained herein) for a primary term of ten years from and after Sept. 30, 1971 or method of operation in, upon, or under said land; or as much longer thereafter as the lessee in good faith shall conduct operations thereon, and should production result from such operations, this lease shall remain in full force and effect as long as such commercial production is obtained. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for production within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues. (The phrase "produced in commercial quantities" as used in this lease shall mean production of any mineral or minerals in, upon, or under the above described lands, or any of the lands within the area of an approved unit or cooperative plan of development or consolidation to which this lease has been committed, the production from which is sufficient during each calendar year to yield a minimum royalty payment to lessor as hereinafter provided equal to \$1.50 per mineral acre for all mineral acres of land held by lessee under this lease.)

IN CONSIDERATION OF THE PREMISES, it is hereby mutually agreed as follows:

1. This lease shall terminate as to both parties, unless the lessee shall on or before one year from date hereof, pay or tender to the lessor or for the lessor's credit at lessor's address

the sum of One thousand Four Hundred Sixty Eight & no/100 (\$1,468.00) Dollars, which shall operate as rentals for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said rental is paid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the paying date. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner provided shall be binding on the heirs, devisees, executors and administrators of such persons. All rentals paid pursuant to this section shall be credited against the royalties which may accrue on production during the year for which such rental is paid. This lease will terminate with no renewal terms, and will be null and void Sept. 30, 1991, unless lease producing.

2. If Lessee has not extended for five year period to Sept. 30, 1991, said oil or minerals (not including petroleum products produced) in the crude or initial form in which such production shall be removed, extracted or produced, and sold from the leased premises, at the point of transportation to market. (For the purpose of computing the gross value at the point of transportation to market, for the application of royalty on any mineral or minerals, due consideration shall be given to all prices paid for the major portion of the production of like quality produced from lands in the same general area, the actual price received by the lessee, the posted price if any, and other relevant matters; but in no event shall the gross value for this purpose be more than the actual price received by the lessee for production from the leased premises.)

At such time as lessee produces oil, gas, steam, or hot water from the leased premises:

- (1) Lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks.
- (2) Lessee shall pay lessor as royalty one-eighth (1/8) of the proceeds from the sale of gas produced from wells where gas only is found, and where not used or sold shall pay Fifty (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a producing well.
- (3) Lessee shall pay lessor for steam, or hot water, produced from any well and used off the premises or in the manufacturing of electricity or any other product a royalty of one-twentieth (1/20) of the market value, at the mouth of the well, payable monthly at the prevailing market price.

3. Lessee shall have the right to use, free of royalty cost, any gas, oil, minerals, steam or hot water developed from said leased land for lessee's operations thereon, so long as used solely to recover products from or to process or refine products from lessor's land. Lessee shall have the right to use, free of cost, water produced on said land for its operations thereon, except water from wells of lessor. When requested by lessor, lessee shall bury any pipe lines below plow depth, and no operations shall be commenced nearer than 200 feet to any house or barn now existing on said lands, without the written consent of the lessor. Lessee shall have the right at any time to remove all improvements, machinery, and fixtures placed or constructed by lessee in, on or under said premises. Lessee's liability for damages to the leased premises arising out of operations under this lease shall be limited to actual damages to range and agricultural improvements only and to growing crops on said lands at the time of such damage.

It is understood that lessee may encounter mineral deposits at such depth or of such nature as to require special or unusual methods of mining, producing or extracting to produce the valuable substances economically. These methods include but are not limited to the drilling of large diameter bore holes, sinking shafts, driving tunnels or other means of entry. Likewise, the mineral deposits may require some form of subsurface fracturing or breaking in order to stimulate the production or facilitate the extractive processes. Such aforesaid methods may cause some surface disturbances that may require monitoring devices to aid lessee in evaluating and directing these underground treatments. It is also possible these said special or unusual methods may create new products underground. It is understood between the parties hereto that any or all of the aforementioned occurrences are in contemplation of the parties hereto, and the occurrences thereof shall not constitute a breach of this contract. It should be further understood that lessee is agreeable to making payment to lessor for any reasonable damage claim arising from any or all of the aforementioned occurrences.

Should lessee deem it necessary or desirable in the course of operations to construct ponds, roadways, pipelines, telephone lines, gasoline plants, electric generating plants, stations and transmission lines, or other structures, or for any other reason, lessee shall have the right to purchase all or any part of the lands under this lease including the proceeds any and all water rights appertaining to such lands, as may be required for such purposes, at the rate of 1.00 per acre, paid to lessor or for lessor's credit in the depository bank hereinabove designated, in the manner hereinabove described. Lessor shall formally consent to any such sale by forthwith executing any and all documents necessary to achieve same upon request of lessee.

4. In the event oil, gas, steam, hot water, or other valuable minerals are found by drilling or other means, lessee shall have the exclusive right to fracture the containing rock by injecting water, brine, steam, acid, or other fluids into the subsurface strata or reservoir, or by detonating devices containing nitroglycerine, ammonium nitrate, TNT, or any other form of explosive energy to stimulate the production or to increase the efficiency of the recovery of the valuable substances therefrom.

5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals hereon shall be paid to lessor only in the proportion which his interest bears to the entire fee simple estate. The amount of the royalties and rentals to be paid to lessor shall be 37 1/2% of the total amount of royalties and rentals which would be payable to the entire fee simple owner if the same were owned by him.

6. In the event of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall bind on the assignee until after notice to the lessor, and if has been furnished with the written transfer or assignment or a certified copy thereof, and in case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. Lessee is expressly granted the right to assign, in whole or in part, any separate mineral interest covered by this lease.

J.R.H.
U.W.J.

that time

7. Lessee shall have the right to unitize, pool, combine, or consolidate all or any part of the above described lands in the same general area as to all minerals or any separate mineral covered by this lease by entering into a cooperative or unit plan of development or operation, and from time to time, to modify, change, or terminate any such plan, 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 cooperative or unit plan of development, operation, and, particularly, all development requirements of this lease, express or implied, shall be modified by compliance with the development requirements of such plan or agreement, if any, 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 purposes of computing the royalties to be paid hereunder to lessor, be regarded as 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 by executing the same upon request of lessee.

Lessee shall execute in writing and record in the conveyance records of the county in which the land herein is situated an instrument identifying and describing any acreage so unitized, pooled, combined, or consolidated.

8. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be operated and developed as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset production on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise, or to furnish separate receiving facilities for any production. It is hereby agreed that in the event this lease shall be assigned as to a part or parts of the above described land and the holder or owner of any such part or parts shall make default in payment of the proportionate part of the rental due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division orders on behalf of said parties, and their respective successors in title.

9. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgage, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such tax, mortgage, or other lien, any royalty or rentals accruing hereunder.

It is lessor's expressed intent to lease hereunder all of the interest, which he may now or from time to time hereafter during the term of this leasehold or claim in all minerals in, under, or that may be produced from the described lands whether or not such interest is presently vested in lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided hereinabove with respect to change in ownership of leased premises.

shall

10. All rental payments which may fall due under this lease shall be made to ~~the above named lessor, in the manner herein stated.~~ at the address shown.

11. Other provisions of this lease to the contrary notwithstanding, it is agreed that this lease shall never be forfeited or cancelled for failure to perform in whole or in part of its implied covenants, conditions, or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable time therefrom to comply with any such covenants, conditions, or stipulations.

12. This lease shall be subject to all federal and state laws, executive orders and rules and regulations. All obligations of lessee, except the payment of minimum rentals, shall be suspended while, but only as long as lessee is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or services in open market, inadequate facilities for the transportation of materials, any state or federal law, regulation or order, or other matters, exclusive of financial liabilities of lessee, beyond the reasonable control of lessee, whether similar to the matters herein specifically enumerated or not; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further, that lessee shall not be required against lessee's will to adjust any labor dispute or to question the validity or to refrain from judicially testing the validity of any state or federal order, regulation, or law.

13. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

14. With respect to and for the purpose of this lease lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

IN TESTIMONY WHEREOF witness our hands as of the day and year first above written.

Verdeen H. Lucy Hilda R. Hanson
 VERDEEN H. LUCY HILDA R. HANSON
 SS# _____

ACKNOWLEDGMENT

STATE OF UTAH }
 COUNTY OF Salt Lake } ss.
 On this 2nd day of February, 1983, before me personally appeared HILDA R. HANSON & VERDEEN H. LUCY, joint tenants with right of survivorship to me known to be the person described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.
 Given under my hand and seal this 2nd day of February, 1983.
 My Commission Expires: May 13, 1985 Bar Bradley
 Notary Public

Residing at: Salt Lake City, Utah

ACKNOWLEDGMENT

STATE OF _____ }
 COUNTY OF _____ } ss.
 On this _____ day of _____, 19____, before me personally appeared _____ to me known to be the person described in and who executed the foregoing instrument and acknowledged that _____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.
 Given under my hand and seal this _____ day of _____, 19____.
 My Commission Expires: _____
 Notary Public

Residing at: _____

No. _____	MINERAL LEASE	From _____	To _____
State of _____ } County of _____ } ss.			
This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock, _____ M., and duly recorded in Book _____, Page _____, of the _____ records of this office.			
County Clerk — Register of Deeds		Deputy	

7. Lessee shall have the right to utilize, pool, combine, or consolidate all or any part of the above described lands in the same general area as to all minerals or any separate mineral covered by this lease by entering into a cooperative or unit plan of development or operation, and from time to time, to modify, change, or terminate any such plan, 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 cooperative or unit plan of development, operation, and, particularly, all development requirements 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 purposes of computing the royalties to be paid hereunder to lessor, be regarded as 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 by executing the same upon request of lessee.

8. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein is situated an instrument identifying and describing any acreage so utilized, pooled, combined, or consolidated.

9. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises nevertheless shall be operated and developed as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset production on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise, or to furnish separate receiving facilities for any production. It is hereby agreed that in the event this lease shall be assigned to a part or parts of the above described land and the holder or owner of any such part or parts shall make default in payment of the proportionate part of the rental due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division orders on behalf of said parties, and their respective successors in title.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such tax, mortgage, or other lien, any royalty or rentals accruing hereunder.

11. It is lessor's expressed intent to lease hereunder all of the interest, which he may now or from time to time hereafter during the term of this leasehold or claim in all minerals in, under, or that may be produced from the described lands whether or not such interest is presently vested in lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided hereinabove with respect to change in ownership of premises.

12. All rental payments which may fall due under this lease shall be made at the address shown.

13. Other provisions of this lease to the contrary notwithstanding, it is agreed that this lease shall never be forfeited or cancelled for failure to perform in whole or in part of its implied covenants, conditions, or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable time thereafter to comply with any such covenants, conditions, or stipulations.

14. This lease shall be subject to all federal and state laws, executive orders and rules and regulations. All obligations of lessee, except the payment of minimum rentals, shall be suspended while, but only as long as lessee is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or services in open market, inadequate facilities for the transportation of materials, any state or federal law, regulation or order, or other matters, exclusive of financial liabilities of lessee, beyond the reasonable control of lessee, whether similar to the matters herein specifically enumerated or not provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further, that lessee shall not be required against lessee's will to adjust any labor dispute or to question the validity or to refrain from judicially testing the validity of any state or federal order, regulation, or law.

15. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

IN TESTIMONY WHEREOF witness our hands as of the day and year first above written.
 VERDEEN H. LUCY
 HILDA R. HANSON
 SS

ACKNOWLEDGMENT

STATE OF UTAH }
 COUNTY OF Salt Lake } ss.
 On this 27th day of February, 1982 before me personally appeared HILDA R. HANSON
 VERDEEN H. LUCY, joint tenants with right of survivorship to me known to be the person described in and who executed
 the foregoing instrument and acknowledged that they executed the same as their free act and deed.
 Given under my hand and seal this 22nd day of February, 1982.
 My Commission Expires: May 13, 1985
 Notary Public

Residing at: Salt Lake City, Utah

ACKNOWLEDGMENT

STATE OF _____ }
 COUNTY OF _____ } ss.
 On this _____ day of _____, 19____ before me personally appeared _____
 _____ to me known to be the person described in and who executed
 the foregoing instrument and acknowledged that _____ executed the same as _____ free act and deed,
 including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the
 effect of signing and acknowledging the said instrument.
 Given under my hand and seal this _____ day of _____, 19____.
 My Commission Expires: _____
 Notary Public

Residing at: _____

No. _____

MINERAL LEASE

From _____

To _____

ss. _____ County

This instrument was filed for record on the _____ day of _____, 19____

at _____ o'clock, _____ M., and duly recorded

Book _____, Page _____, of the _____ records of this office.

County Clerk - Registrar of Deeds

Deputy

200 PAGE 333

This is Original Lease, find. removed, lease attached

NO. 118755

MINERAL LEASE

11/23/21

AGREEMENT, made and entered into this 30th day of September, 1921, by and between HANSON LAND & LIVESTOCK COMPANY, a Utah Corporation, of 4215 West 4100 South Street, Granger, Utah 84120 party of the first part, hereinafter called lessor (whether one or more), and BARR SMEDLEY, of Salt Lake City, Utah party of the second part, lessee.

WITNESSETH: That the lessor for and in consideration of TEN and More Dollars in hand paid, receipt of which is hereby acknowledged, of the royalty herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for by any means whatsoever, and producing, extracting, treating by any and all means or otherwise removing and disposing of all minerals (especially including but not limited to oil, gas, coal, steam, hot water, sulfur, mercury, precious and base metals, salts, chemicals, or material of value, and their related products and by-products) in, upon, or under the following described land situated in BEAVER County, State of UTAH, to-wit:

Township 27 South, Range 10 West, 11M.

- 50 acres Section 33: SE 1/4 SE 1/4, NW 1/4 SW 1/4;
36 2/3 acres Section 34: Lots 5, 7, 8, S 1/2 NW 1/4, SW 1/4;
240 acres Section 35: SE 1/4, W 1/2 NE 1/4;
240 acres Section 36: S 1/2 NW 1/4, N 1/2 SW 1/4, W 1/2 SE 1/4,

FILED FOR RECORD
9:20 a'clock
DEC 2 2 1921
Louis Herring
Beaver County Recorder

containing 922.01 acres, more or less, together with the right to own said minerals as defined hereinabove and the right to construct and maintain on said lands all appurtenances necessary or convenient for economic operation of said lands, alone or conjointly with neighboring land, to the full enjoyment thereof.

TO HAVE AND TO HOLD the same (subject to the other provisions contained herein) for a primary term of ten years from and after the date hereof (called "primary term") and for so long thereafter as any mineral as defined hereinabove is being produced in commercial quantities by any process or method of operation in, upon, or under said land; or as much longer thereafter as the lessee in good faith shall conduct operations thereon, and should production result from such operations, this lease shall remain in full force and effect as long as such commercial production is obtained. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for production within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues. (The phrase "produced in commercial quantities" as used in this lease shall mean production of any mineral or minerals in, upon, or under the above described lands, or any of the lands within the area of an approved unit or cooperative plan of development or consolidation to which this lease has been committed, the production from which is sufficient during each calendar year to yield a minimum royalty payment to lessor as hereinafter provided equal to \$1.00 per mineral acre for all mineral acres of land held by lessee under this lease.)

IN CONSIDERATION OF THE PREMISES, it is hereby mutually agreed as follows:

1. This lease shall terminate as to both parties, unless the lessee shall on or before one year from date hereof, pay or tender to the lessor or for the lessor's credit in Bank at FOUR HUNDRED SIXTY ONE & 50/100 (\$461.50) Dollars, which shall operate as a rental for a period of one year from said date. In like manner, like payments or tenders shall operate as rentals for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner provided shall be binding on the heirs, devisees, executors and administrators of the lessor. All rentals paid pursuant to this section shall be credited against the royalties which may accrue on production during the year for which such rental is paid.

In the event there is no mineral being produced in "commercial quantities" as defined hereinabove at the end of the primary term of this lease, this lease shall be renewable, in whole or in part, upon the same terms and conditions for a like ten year period upon written notice by lessee to lessor or lessor's agent at least 90 days prior to the expiration date of the primary term of this lease, and upon payment or tender in aforesaid manner to lessor or lessor's credit in said depository bank of the sum of 50c (\$0.50) Dollars for each mineral acre owned by lessor to be thus extended and renewed, which payment shall operate as a rental in the aforesaid manner.

2. Lessee agrees to pay to lessor as royalty a sum equal to Five Percent (5%) of the gross value of all products and by-products from any mineral or minerals (not including petroleum products) in the course or initial course in which such production shall be removed, extracted or produced, saved and sold from the leased premises, at the point of transportation to market. (For the purpose of computing the gross value at the point of transportation to market for the application of royalty on any mineral or minerals, due consideration shall be given to all prices paid for the major portion of the production of like quality produced from lands in the same general area, the actual prices received by the lessee, the posted price if any, and other relevant matters; but in no event shall the gross value for this purpose be more than the actual price received by the lessee for production from the leased premises.)

At such time as lessee produces oil, gas, steam, or hot water from the leased premises:
(1) Lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks; and
(2) Lessee shall pay lessor as royalty one-eighth (1/8) of the proceeds from the sale of gas produced from wells where gas only is found, and where not used or sold shall pay Fifty (\$0.50) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a producing well.
(3) Lessee shall pay lessor, for steam, or hot water, produced from any well and used off the premises or in the manufacturing of electricity or any other product a royalty of one-twentieth (1/20) of the market value, at the mouth of the well, payable monthly at the prevailing market price.

3. Lessee shall have the right to use, free of royalty cost, any gas, oil, minerals, steam or hot water developed from said leased land for lessee's operations thereon, so long as used solely to recover products from or to process or refine products from lessor's land. Lessee shall have the right to use, free of cost, water produced on said land for its operations thereon, except water from wells of lessor. When requested by lessor, lessee shall bury any pipe line below given depth, and no operations shall be commenced nearer than 100 feet to any house or barn now existing on said lands, without the written consent of the lessor. Lessee shall have the right at any time to remove all improvements, machinery, and fixtures placed or constructed by lessee in, on or under said premises. Lessee's liability for damages to the leased premises arising out of operations under this lease shall be limited to actual damages to range and agricultural improvements only and to growing crops on said lands at the time of such damage.

It is understood that lessee may encounter mineral deposits at such depth or of such nature as to require special or unusual methods of mining, producing or extracting to produce the valuable substances economically. These methods include but are not limited to the drilling of large diameter bore holes, sinking shafts, driving tunnels or other means of entry. Likewise, the mineral deposits may require some form of subsurface fracturing or breaking in order to stimulate the production or facilitate the extractive processes. Such aforesaid methods may cause some surface disturbance that may require monitoring devices to aid lessee in evaluating and directing these underground treatments. It is also possible these said special or unusual methods may create new products underground. It is understood between the parties hereto that any or all of the aforementioned occurrences are in contemplation of the parties hereto, and the occurrences thereof shall not constitute a breach of this contract. It should be further understood that lessee is agreeable to making payment to lessor for any reasonable damage claim arising from any or all of the aforementioned occurrences.

Should lessee deem it necessary or desirable in the course of operations to construct ponds, roadways, pipelines, telephone lines, gasoline plants, electric generating plants, stations and transmission lines, or other structures, or for any other reason, lessee shall have the right to purchase all or any part of the lands under this lease, including in this purchase any and all water rights appertaining to such lands, as may be required for such purposes at the rate of NECESSARY AND REASONABLE BEING MADE AVAILABLE WHEN NEEDED BUT PRICE TO BE NEGOTIATED AT THAT TIME per acre, paid to lessor or for lessor's credit in the depository bank hereinabove designated, in the manner hereinabove described. Lessor shall formally consent to any such sale by forthwith executing any and all documents necessary to achieve same upon request of lessee.

4. In the event oil, gas, steam, hot water, or other valuable minerals are found by drilling or other means, lessee shall have the exclusive right to fracture the containing rock by injecting water, brine, steam, acid, or other fluids into the subsurface strata or reservoir, or by detonating devices containing nitroglycerine, ammonium nitrate, TNT, or any other form of explosive energy to stimulate the production or to increase the efficiency of the recovery of the valuable substances therefrom.

5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

6. 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, and assigns, but no change in ownership in the land or in the rentals or royalties shall be binding on the lessee until after notice to the lessee, and it has been furnished with the written transfer or assignment or a certified copy thereof, and in case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. Lessee is expressly granted the right to assign, in whole or in part, any separate mineral interest covered by this lease.

BOOK 119, PAGE 478

7. Lessee shall have the right to utilize, pool, combine, or consolidate all or any part of the above described lands in the same general area as to all minerals or any separate mineral covered by this lease by entering into a cooperative or unit plan of development or operation, and from time to time, to modify, change, or terminate any such plan, 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 cooperative or unit plan of development or operation, if any, 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 purposes of computing the royalties to be paid hereunder to lessor, be regarded as 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 by executing the same upon request of lessee.

8. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein is situated an instrument identifying and describing any acreage so utilized, pooled, combined, or consolidated.

9. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises nevertheless shall be operated and developed as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset production on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise, or to furnish separate receiving facilities for any production. It is hereby agreed that in the event this lease shall be assumed as to a part or parts of the above described land and the holder or owner of any such part or parts shall make default in payment of the proportionate part of the rental due from him or them, such default shall not operate to defect or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division orders on behalf of said parties, and their respective successors in title.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgage, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such tax, mortgage, or other lien, any royalty or rentals accruing hereunder.

11. It is lessor's expressed intent to lease hereunder all of the interest, which he may now or from time to time hereafter during the term of this leasehold or claim in all minerals in, under, or that may be produced from the described lands whether or not such interest is presently vested in lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided hereinabove with respect to change in ownership of leased premises.

12. All rental payments which may fall due under this lease may be made to lessor at above address in the manner herein stated.

13. Other provisions of this lease to the contrary notwithstanding, it is agreed that this lease shall never be forfeited or canceled for failure to perform in whole or in part of its implied covenants, conditions, or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable time therefrom to comply with any such covenants, conditions, or stipulations.

14. This lease shall be subject to all federal and state laws, executive orders and rules and regulations. All obligations of lessee, except the payment of minimum rentals, shall be suspended while, but only as long as lessee is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or services in open market, inadequate facilities for the transportation of materials, any state or federal law, regulation or order, or other matters, exclusive of financial liabilities of lessee, beyond the reasonable control of lessee, whether similar to the matters herein specifically enumerated or not; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further, that lessee shall not be required against lessee's will to adjust any labor dispute or to question the validity or to refrain from judicially testing the validity of any state or federal order, regulation, or law.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

16. With respect to and for the purpose of this lease lessor, and each of them if there be more than one, hereby release and waive the right of homestead, IN TESTIMONY WHEREOF witness our hands as of the day and year first above written.

ATTEST:

James W. Williams
Secretary

HANSON LAND & LIVESTOCK COMPANY
President

ACKNOWLEDGMENT

STATE OF UTAH } (Corporate acknowledgment for use in Utah)
COUNTY OF Salt Lake } ss.

On the 30th day of September, A. D. 1971, personally appeared before me

James W. Williams who being by the duty sworn, did say that he is the President of HANSON LAND & LIVESTOCK COMPANY

and that said instrument was signed in behalf of said corporation.

and James W. Williams acknowledged to me that said corporation executed the same.

Given under my hand and seal this 30th day of September, 1971

My Commission Expires January 10, 1974 James W. Williams Notary Public

Address: Salt Lake City, Utah

On this _____ day of _____, 19____ before me personally appeared _____

_____ to me known to be the person _____ described in and who executed

the foregoing instrument and acknowledged that _____ executed the same as _____ free act and deed,

including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and seal this _____ day of _____, 19____

My Commission Expires _____ BOOK 119 PAGE 479 Notary Public

Residing at: _____

No. _____

MINERAL LEASE

From _____

To _____

State of _____ County of _____

This instrument was filed for record on the _____ day of _____, 19____

at _____ o'clock, _____ M., and duly recorded in Book _____, Page _____ of the records of this office.

By _____ County Clerk - Registrar of Deeds

Deputy _____

7. Lessee shall have the right to utilize, pool, combine, or consolidate all or any part of the above described lands in the same general area as to all minerals or any separate mineral covered by this lease by entering into a cooperative or unit plan of development or operation, and from time to time, to modify, change, or terminate any such plan of development or operation, 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 cooperative or unit plan of development or operation, and, particularly, all development requirements of this lease, express or implied, shall be satisfied by compliance with the development requirements of such plan or agreement, if any, 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 purposes of computing the royalties to be paid hereunder to lessor, be regarded as 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 by executing the same upon request of lessee.

8. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein is situated an instrument identifying and describing any acreage so unitized, pooled, combined, or consolidated.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be operated and developed as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset production on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise, or to furnish separate receiving facilities for any production. It is hereby agreed that in the event this lease shall be assigned as to a part or parts of the above described land and the holder or owner of any such part or parts shall make default in payment of the proportionate part of the rental due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division orders on behalf of said parties, and their respective successors in title.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgage, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such tax, mortgage, or other lien, any royalty or rentals accruing hereunder.

11. It is lessor's expressed intent to lease hereunder all of the interest, which he may now or from time to time hereafter during the term of this leasehold or claim in all minerals in, under, or that may be produced from the described lands whether or not such interest is presently vested in lessor, or is to become vested upon the happening of a future occurrence or is not now owned or claimed by lessor but is subsequently and during the term of this lease acquired by him. Rentals and royalties payable hereunder on account of any such subsequent acquisition shall be payable by lessee only after submission of evidence of such acquisition in the same manner and subject to the same terms and conditions as provided hereinabove with respect to change in ownership of leased premises.

12. All rental payments which may fall due under this lease shall be made to lessor at above address 16

13. Other provisions of this lease to the contrary notwithstanding, it is agreed that this lease shall never be forfeited or cancelled for failure to perform in whole or in part of its implied covenants, conditions, or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable time therefrom to comply with any such covenants, conditions, or stipulations.

14. This lease shall be subject to all federal and state laws, executive orders and rules and regulations. All obligations of lessee, except the payment of minimum rentals, shall be suspended while, but only as long as lessee is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or services in open market, inadequate facilities for the transportation of materials, any state or federal law, regulation or order, or other matters, exclusive of financial liabilities of lessee, beyond the reasonable control of lessee, whether similar to the matters herein specifically enumerated or not; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further, that lessee shall not be required against lessee's will to adjust any labor dispute or to question the validity or to refrain from judicially testing the validity of any state or federal order, regulation, or law.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

16. With respect to and for the purpose of this lease lessor, and each of them if there be more than one, hereby release and waive the right of homestead. IN TESTIMONY WHEREOF witness our hands as of the day and year first above written.

ATTEST:

G. AARON HANSON SHEEP COMPANY

Secretary

President

ACKNOWLEDGMENT

(Corporate acknowledgment for use in Utah)

STATE OF UTAH
COUNTY OF Salt Lake

On the 30th day of September, A. D., 1971, personally appeared before me G. Aaron Hanson President of G. AARON HANSON SHEEP COMPANY and that said instrument was signed in behalf of said corporation.

and said G. Aaron Hanson acknowledged to me that said corporation executed the same. Given under my hand and seal this 30th day of September, 1971.

My Commission Expires January 1, 1974
Notary Public
Address: Salt Lake City, Utah

On this _____ day of _____, 19____ before me personally appeared _____ to me known to be the person described in and who executed the foregoing instrument and acknowledged that _____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and seal this _____ day of _____, 19____
My Commission Expires _____
Notary Public

BOOK 119 PAGE 477

Residing at:

215

No. _____

MINERAL LEASE

From OFFICE OF MILLARD COUNTY RECORDER

INDEXED GRANTED TO SEC. 10T BLK PLAT PHOTO PLATED

State of _____ County of _____ ss.

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

County Clerk - Recorder of Deeds

By _____ Deputy

MINERAL LEASE
No. 118755-REV.

(Ratifying & Adopting Mineral Lease dated September 30, 1971, recorded as No. 118755, pp. 478-479, Book 119, records of Beaver Co., Utah)

AGREEMENT, made and entered into this _____ day of _____, 1982, by and between
HILDA R. HANSON & VERDEEN H. LUCY, as joint tenants with right of survivorship
of 1973 Yale Avenue, Salt Lake City, Utah 84108

_____ party of the first part, hereinafter called lessor (whether one or more), and
ROOSEVELT HOT SPRINGS CORP., a Utah Corporation, of
1102 Walker Building, Salt Lake City, Utah 84111 _____ party of the second part, lessee.

WITNESSETH: That the lessor for and in consideration of ****Ten and More Dollars**** in hand paid, receipt of which is hereby acknowledged, of the royalty herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for by any means whatsoever, and producing, extracting, treating by any and all means or otherwise removing and disposing of minerals (expressly including but not limited to oil, gas, coal, steam, hot water, sulfur, mercury, precious and base metals, salts, chemicals, or material of value, and their related products and by-products) in, upon, or under the following described land situated in _____
BEAVER County, State of UTAH to-wit:

Township 27 South, Range 10 West, SLM.

Section 33: SE/4SE/4, NW/4SW/4; 80 acres
Section 34: Lots 5, 7, 8, S/2NW/4, SW/4; 362 acres
Section 35: SE/4, W/2NE/4; 240 acres
Section 36: S/2NW/4, N/2SW/4, W/2SE/4, 240 acres

FILED FOR RECORD
9:00 o'clock A.M.

FEB 13 1983
Beaver County Recorder
Fee \$ 6.50

This lease recorded Book 200 Page 334-335 in Beaver County

containing 922.01 acres, more or less, together with the right to own said minerals as defined hereinabove and the right to construct and maintain on said lands all appurtenances necessary or convenient for economic operation of said lands, alone or conjointly with neighboring land, to the full enjoyment thereof.

TO HAVE AND TO HOLD the same (subject to the other provisions contained herein) for a primary term of ten years from and after Sept. 30, 1971 (called "primary term") and for so long thereafter as any mineral as defined hereinabove is being produced in commercial quantities by any process or method of operation in, upon, or under said land; or as much longer thereafter as long as such commercial production is obtained. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for production within sixty (60) days from such cessation, and this lease shall remain in force during the production of such operations and, if production results thereafter in, upon, or under the above described lands, or any of the lands within the area of an approved unit or cooperative plan of development mineral or minerals in, upon, or under the above described lands, or any of the lands within the area of an approved unit or cooperative plan of development or consolidation to which this lease has been committed, the production from which is sufficient during each calendar year to yield a minimum royalty payment to lessor as hereinafter provided equal to \$1.60 per mineral acre for all mineral acres of land held by lessee under this lease.)

IN CONSIDERATION OF THE PREMISES, It is hereby mutually agreed as follows:

1. This lease shall terminate as to both parties, unless the lessee shall on or before one year from date hereof, pay or tender to the lessor or for the lessor's credit at lessor's address _____

the sum of One Hundred Seventy Three and No/100 (\$173.00) Dollars, which shall operate as a rental for a period of one year from said date. In like manner, like payments or tenders shall operate as rentals for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the above described premises and thereby surrender this lease as to such portion or piece of record a release or releases covering any portion or portions of the above described premises and thereupon shall be reduced in the proportion that the acreage covered herein is provided by said release or releases. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner provided shall be binding on the heirs, devisees, executors and administrators of such persons. All rentals paid pursuant to this section shall be credited against the royalties which may accrue on production during the year for which such rental is paid.

This lease will terminate with no renewal terms, and will be null and void Sept. 30, 1991, unless this lease pr

As of date of this instrument, said lease has been so extended for ten year period to Sept. 30, 1991.

Lessee agrees to pay to lessor as royalty a sum equal to five percent (5%) of the gross value of all products and by-products from any mineral saved and sold from the leased premises, at the point of transportation to market. (For the purpose of computing the gross value at the point of transportation to market for the application of royalty on any mineral or minerals, due consideration shall be given to all prices paid for the major portion of the production of like quality produced from lands in the same general area, the actual price received by the lessee, the posted price if any, and other relevant matters; but in no event shall the gross value for this purpose be more than the actual price received by the lessee for production from the leased premises.)

- At such time as lessee produces oil, gas, steam, or hot water from the leased premises:
- (1) Lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks, and
 - (2) Lessee shall pay lessor as royalty one-eighth (1/8) of the proceeds from the sale of gas produced from wells where gas only is found, and where not used or sold shall pay Fifty (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a producing well.
 - (3) Lessee shall pay lessor for steam, or hot water, produced from any well and used off the premises or in the manufacturing of electricity or any other product a royalty of one-twentieth (1/20) of the market value, at the mouth of the well, payable monthly at the prevailing market price.

3. Lessee shall have the right to use, free of royalty cost, any gas, oil, minerals, steam or hot water developed from said leased land for lessee's operations thereon, so long as used solely to recover products from or to process or refine products from lessor's land. Lessee shall have the right to use, free of cost, water produced on said land for its operations thereon, except water from wells of lessor. Lessee shall have the right to use, free of cost, below flow depth, and no operations shall be commenced nearer than 200 feet to any house or barn now existing on said lands, without the written consent of the lessor. Lessee shall have the right at any time to remove all improvements, machinery, and fixtures placed or constructed by lessee in, on or under said premises. Lessee's liability for damages to the leased premises arising out of operations under this lease shall be limited to actual damages to range and agricultural improvements only and to growing crops on said lands at the time of such damage.

It is understood that lessee may encounter mineral deposits at such depth or of such nature as to require special or unusual methods of mining, producing or extracting to produce the valuable substances economically. These methods include but are not limited to the drilling of large diameter bore holes, to stimulate the production or facilitate the extractive processes. Such aforesaid methods may cause some surface disturbance or breaking in order devices to aid lessee in evaluating and directing these underground treatments. It is also possible these said special or unusual methods may create new products underground. It is understood between the parties hereto that any or all of the aforesaid occurrences are in contemplation of the parties hereto, and the occurrences thereof shall not constitute a breach of this contract. It should be further understood that lessee is agreeable to making payment to lessor for any reasonable damage claim arising from any or all of the aforesaid occurrences.

Should lessee deem it necessary or desirable in the course of operations to construct ponds, roadways, pipelines, telephone lines, gasoline plants, electric generating plants, stations and transmission lines, or other structures, or for any other reason, lessee shall have the right to purchase all or any part of the lands under this lease, including the above described lands, as may be required for such purposes at the rate of \$ _____ per acre, paid to lessor or for lessor's credit in the depository bank hereinabove designated, but price to be negotiated. Lessor shall formally consent to any such sale by forthwith executing any and all documents necessary to achieve same upon request of lessee.

4. In the event oil, gas, steam, hot water, or other valuable minerals are found by drilling or other means, lessee shall have the exclusive right to fracture the containing rock by injecting water, brine, steam, acid, or other fluids into the subsurface strata or reservoir, or by detonating devices containing nitroglycerine, ammonium nitrate, TNT, or any other form of explosive energy to stimulate the production or to increase the efficiency of the recovery of the valuable substances therefrom.

5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals here provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee simple estate therein. If the entire fee simple estate is owned by the lessor, then the royalties and rentals shall be paid to the lessor.

BK 326
Pg 775

922.01 ac (347.75 net acres) on which above lease is granted as 3

172049

1:00 FOR RECORD
o'clock P

CERTIFICATION - DETERMINATION

MAY - 3 1990
Beaver County Recorder
Fee \$4.00

Pursuant to the authority vested in the Secretary of Interior, under the Geothermal Steam Act of December 24, 1970, 84 Stat. 1566, 30 U.S.C. secs. 1001-1025, I do hereby:

A. Approve the attached agreement for the development and operation of the Roosevelt Hot Springs Unit Area, State of Utah.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated 4-19-76

John Klapp
Secretary
United States Department of the Interior

Contract Number 14-08-0001-15525

Bureau of Land Management
17th. State Office
374 South State, Suite 301
Salt Lake City, Utah 84111-2303
I hereby certify that this reproduction is a copy of the official record on file in this office.

John Klapp 5-2-90
Authorized Signature Date

Recorded by & return to:
R.L. Wright
P.O. Box 11841
Salt Lake City, Ut. 84147

250 PAGE 693

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
ROOSEVELT HOT SPRINGS
UNIT AREA
COUNTY OF Beaver
STATE OF Utah

THIS AGREEMENT, entered into as of the 6th day of August,
19 75, by and between the parties subscribing, ratifying, or consenting
hereto, and herein referred to as the "parties hereto."

WITNESSETH:

WHEREAS the parties hereto are the owners of working, royalty, or other
geothermal resources interests in land subject to this Agreement; and

WHEREAS the Geothermal Steam Act of 1970 (84 Stat. 1566), hereinafter
referred to as the "Act," authorizes Federal lessees and their representa-
tives to unite with each other, or jointly or separately with others, in
collectively adopting and operating under a cooperative or unit plan of
development or operation of any geothermal resources pool, field, or like
area, or any part thereof, for the purpose of more properly conserving the
natural resources thereof, whenever determined and certified by the Secre-
tary of the Interior to be necessary or advisable in the public interest;
and

WHEREAS the parties hereto hold sufficient interest in the Roosevelt
Hot Springs Unit Area covering the land herein described to effectively
control operations therein; and

WHEREAS it is the purpose of the parties hereto to conserve natural
resources, prevent waste, and secure other benefits obtainable through
development and operations of the area subject to this Agreement under the
terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises
herein contained, the parties hereto commit to this agreement their respec-
tive interests in the below-defined Unit Area, and agree severally among
themselves as follows:

ARTICLE I - ENABLING ACT AND REGULATIONS

1.1 The Act and all valid pertinent regulations, including operating
and unit plan regulations, heretofore or hereafter issued thereunder are
accepted and made a part of this agreement as to Federal lands.

1.2 As to non-Federal lands, the geothermal resources operating
regulations in effect as of the effective date hereof governing drilling
and producing operations, not inconsistent with the laws of the State in
which the non-Federal land is located, are hereby accepted and made a part
of this agreement.

ARTICLE II - DEFINITIONS

2.1 The following terms shall have the meanings here indicated:
(a) Geothermal Lease. A lease issued under the act of December 24,
1970 (84 Stat. 1566), pursuant to the leasing regulations contained in
43 CFR Group 3200 and, unless the context indicates otherwise, "lease"
shall mean a geothermal lease.

1 (b) Unit Area. The area described in Article III of this Agreement. 1
2 2
3 (c) Unit Operator. The person, association, partnership, corpora- 3
4 tion, or other business entity designated under this Agreement to conduct 4
5 operations on Unitized Land as specified herein. 5
6 6
7 (d) Participating Area. That part of the Unit Area which is deemed 7
8 to be productive from a horizon or deposit and to which production would 8
9 be allocated in the manner described in the unit agreement assuming that 9
10 all lands are committed to the unit agreement. 10
11 11
12 (e) Working Interest. The interest held in geothermal resources or 12
13 in lands containing the same by virtue of a lease, operating agreement, 13
14 fee title, or otherwise, under which, except as otherwise provided in this 14
15 Agreement, the owner of such interest is vested with the right to explore 15
16 for, develop, produce and utilize such resources. The right delegated to 16
17 the Unit Operator as such by this Agreement is not to be regarded as a 17
18 Working Interest. 18
19 19
20 (f) Secretary. The Secretary of the Interior or any person duly 20
21 authorized to exercise powers vested in that officer. 21
22 22
23 (g) Director. The Director of the U. S. Geological Survey. 23
24 24
25 (h) Supervisor. A representative of the Secretary, subject to the 25
26 direction and supervisory authority of the Director, the Chief, Conserva- 26
27 tion Division, Geological Survey, and the appropriate Regional Conserva- 27
28 tion Manager, Conservation Division, Geological Survey, authorized and 28
29 empowered to regulate operations and to perform other duties prescribed in 29
30 the regulations or any subordinate of such representative acting under his 30
31 direction. 31
32 32
33 **ARTICLE III - UNIT AREA AND EXHIBITS** 33
34 34
35 3.1 The area specified on the map attached hereto marked "Exhibit A" 35
36 is hereby designated and recognized as constituting the Unit Area, con- 36
37 taining 25,946.38 acres, more or less. 37
38 38
39 The above-described Unit Area shall when practicable be expanded to 39
40 include therein any additional lands or shall be contracted to exclude 40
41 lands whenever such expansion or contraction is deemed to be necessary or 41
42 advisable to conform with the purposes of this Agreement. 42
43 43
44 3.2 Exhibit A attached hereto and made a part hereof is a map show- 44
45 ing the boundary of the Unit Area, the boundaries and identity of tracts 45
46 and leases in said area to the extent known to the Unit Operator. 46
47 47
48 3.3 Exhibit B attached hereto and made a part hereof is a schedule 48
49 showing to the extent known to the Unit Operator the acreage, percentage, 49
50 and kind of ownership of geothermal resources interests in all lands in 50
51 the Unit Area. 51
52 52
53 3.4 Exhibits A and B shall be revised by the Unit Operator whenever 53
54 changes in the Unit Area render such revision necessary, or when requested 54
55 by the Supervisor, and not less than five copies of the revised Exhibits 55
56 shall be filed with the Supervisor. 56
57 57
58 **ARTICLE IV - CONTRACTION AND EXPANSION OF** 58
59 **UNIT AREA** 59
60 60
61 4.1 Unless otherwise specified herein, the expansion and/or contrac- 61
62 tion of the Unit Area contemplated in Article 3.1 hereof shall be effected 62
63 in the following manner: 63
64 64
65 (a) Unit Operator either on demand of the Director or on its own 65

1 motion and after prior concurrence by the Director, shall prepare a notice 1
2 of proposed expansion or contraction describing the contemplated changes 2
3 in the boundaries of the Unit Area, the reasons therefore, and the proposed 3
4 effective date thereof, preferably the first day of a month subsequent to 4
5 the date of notice. 5
6
7 (b) Said notice shall be delivered to the Supervisor and copies there- 7
8 of mailed to the last known address of each Working Interest Owner, Lessee, 8
9 and Lessor whose interests are affected, advising that 30 days will be al- 9
10 lowed for submission to the Unit Operator of any objections. 10
11
12 (c) Upon expiration of the 30-day period provided in the preceding 12
13 item (b) hereof, Unit Operator shall file with the Supervisor evidence of 13
14 mailing of the notice of expansion or contraction and a copy of any objec- 14
15 tions thereto which have been filed with the Unit Operator, together with 15
16 an application in sufficient number, for approval of such expansion or con- 16
17 traction and with appropriate joinders. 17
18
19 (d) After due consideration of all pertinent information, the expan- 19
20 sion or contraction shall, upon approval by the Supervisor, become effective 20
21 as of the date prescribed in the notice thereof. 21
22
23 4.2 Unitized Leases, insofar as they cover any lands which are ex- 23
24 cluded from the Unit Area under any of the provisions of this Article IV 24
25 may be maintained and continued in force and effect in accordance with the 25
26 terms, provisions, and conditions contained in the Act, and the lease or 26
27 leases and amendments thereto, except that operations and/or production 27
28 under this Unit Agreement shall not serve to maintain or continue the ex- 28
29 cluded portion of any lease. 29
30
31 4.3 All legal subdivisions of unitized lands (i.e., 40 acres by 31
32 Governmental survey or its nearest lot or tract equivalent in instances of 32
33 irregular surveys), no part of which is entitled to be within a Participat- 33
34 ing Area on the fifth anniversary of the effective date of the initial Par- 34
35 ticipating Area established under this Agreement, shall be eliminated auto- 35
36 matically from this Agreement effective as of said fifth anniversary and 36
37 such lands shall no longer be a part of the Unit Area and shall no longer 37
38 be subject to this Agreement unless diligent drilling operations are in 38
39 progress on an exploratory well on said fifth anniversary, in which event 39
40 such lands shall not be eliminated from the Unit Area for as long as expl- 40
41 oratory drilling operations are continued diligently with not more than four 41
42 (4) months time elapsing between the completion of one exploratory well and 42
43 the commencement of the next exploratory well. 43
44
45 4.4 An exploratory well, for the purposes of this Article IV is 45
46 defined as any well regardless of surface location, projected for comple- 46
47 tion in a zone or deposit below any zone or deposit for which a Participat- 47
48 ing Area has been established and is in effect, or any well, regardless of 48
49 surface location, projected for completion at a subsurface location under 49
50 Unitized Lands not entitled to be within a Participating Area. 50
51
52 4.5 In the event an exploratory well is completed during the four 52
53 (4) months immediately preceding the fifth anniversary of the initial 53
54 Participating Area established under this Agreement, lands not entitled to 54
55 be within a Participating Area shall not be eliminated from this Agreement on 55
56 said fifth anniversary, provided the drilling of another exploratory well is 56
57 commenced under an approved Plan of Operation within four (4) months after 57
58 the completion of said well. In such event, the land not entitled to be in 58
59 participation shall not be eliminated from the Unit Area so long as expl- 59
60 oratory drilling operations are continued diligently with not more than four 60
61 (4) months time elapsing between the completion of one exploratory well and 61
62 the commencement of the next exploratory well. 62
63
64 4.6 With prior approval of the Supervisor, a period of time in excess 64
65 of four (4) months may be allowed to elapse between the completion of one 65

well and the commencement of the next well without the automatic elimination of nonparticipating acreage.

4.7 Unitized lands proved productive by drilling operations which serve to delay automatic elimination of lands under this Article IV shall be incorporated into a Participating Area (or Areas) in the same manner as such lands would have been incorporated in such areas had such lands been proven productive during the year preceding said fifth anniversary.

4.8 In the event nonparticipating lands are retained under this Agreement after the fifth anniversary of the initial Participating Area as a result of exploratory drilling operations, all legal subdivisions of unitized land (i.e., 40 acres by Government Survey or its nearest lot or tract equivalent in instances of irregular surveys), no part of which is entitled to be within a Participating Area shall be eliminated automatically as of the 121 day, or such later date as may be established by the Supervisor, following the completion of the last well recognized as delaying such automatic elimination beyond the fifth anniversary of the initial Participating Area established under this Agreement.

ARTICLE V - UNITIZED LAND AND UNITIZED SUBSTANCES

5.1 All land committed to this Agreement shall constitute land referred to herein as "Unitized Land." All geothermal resources in and produced from any and all formations of the Unitized Land are unitized under the terms of this agreement and herein are called "Unitized Substances".

ARTICLE VI - UNIT OPERATOR

6.1 Phillips Petroleum Company is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means that the Unit Operator acting in that capacity and not as an owner of interest in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such an interest is owned by it.

ARTICLE VII - RESIGNATION OR REMOVAL OF UNIT OPERATOR

7.1 Prior to the establishment of a Participating Area, hereunder, Unit Operator shall have the right to resign. Such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator or terminate Unit Operator's rights, as such, for a period of six (6) months after notice of its intention to resign has been served by Unit Operator on all Working Interest Owners and the Supervisor, nor until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

7.2 After the establishment of a Participating Area hereunder Unit Operator shall have the right to resign in the manner and subject to the limitations provided in 7.1 above.

7.3 The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of Working Interests as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Supervisor.

1 7.4 The resignation or removal of Unit Operator under this Agreement 1
2 shall not terminate its right, title, or interest as the owner of a Working 2
3 Interest or other interest in Unitized Substances, but upon the resignation 3
4 or removal of Unit Operator becoming effective, such Unit Operator shall 4
5 deliver possession of all wells, equipment, material, and appurtenances 5
6 used in conducting the unit operations to the new duly qualified successor 6
7 Unit Operator or, if no such new unit operator is elected, to the common 7
8 agent appointed to represent the Working Interest Owners in any action 8
9 taken hereunder to be used for the purpose of conducting operations here- 9
10 under. 10

11 7.5 In all instances of resignation or removal, until a successor 11
12 Unit Operator is selected and approved as hereinafter provided, the Working 12
13 Interest Owners shall be jointly responsible for performance of the duties 13
14 and obligations of Unit Operator, and shall not later than 30 days before 14
15 such resignation or removal becomes effective appoint a common agent to 15
16 represent them in any action to be taken hereunder. 16
17 17

18 7.6 The resignation of Unit Operator shall not release Unit Operator 18
19 from any liability for any default by it hereunder occurring prior to the 19
20 effective date of its resignation. 20
21 21

22 ARTICLE VIII - SUCCESSOR UNIT OPERATOR 22
23 23

24 8.1 If, prior to the establishment of a Participating Area hereunder, 24
25 the Unit Operator shall resign as Operator, or shall be removed as provided 25
26 in Article VII, a successor Unit Operator may be selected by vote of the 26
27 owners of a majority of the Working Interests in Unitized Substances, based 27
28 on their respective shares, on an acreage basis, in the Unitized Land. 28
29 29

30 8.2 If, after the establishment of a Participating Area hereunder, the 30
31 Unit Operator shall resign as Unit Operator, or shall be removed as provided 31
32 in Article VII, a successor Unit Operator may be selected by vote of the 32
33 owners of a majority of the Working Interests in Unitized Substances, based 33
34 on their respective shares, on a participating acreage basis. Provided, 34
35 that, if a majority but less than 60 percent of the Working Interest in the 35
36 Participating Lands is owned by the party to this agreement, a concurring 36
37 vote of one or more additional Working Interest Owners owning 10 percent or 37
38 more of the Working Interest in the participating land shall be required to 38
39 select a new Unit Operator. 39
40 40

41 8.3 The selection of a successor Unit Operator shall not become 41
42 effective until: 42
43 43

44 (a) The Unit Operator so selected shall accept in writing the duties, 44
45 obligations and responsibilities of the Unit Operator, and 45
46 46

47 (b) The selection shall have been approved by the Supervisor. 47
48 48

49 8.4 If no successor Unit Operator is selected and qualified as herein 49
50 provided, the Director at his election may declare this Agreement termi- 50
51 nated. 51
52 52

53 ARTICLE IX - ACCOUNTING PROVISIONS AND UNIT 53
54 OPERATING AGREEMENT 54
55 55

56 9.1 Costs and expenses incurred by Unit Operator in conducting unit 56
57 operations hereunder shall be paid and apportioned among and borne by the 57
58 owners of Working Interests; all in accordance with the agreement or agree- 58
59 ments entered into by and between the Unit Operator and the owners of Work- 59
60 ing Interests, whether one or more, separately or collectively. 60
61 61

62 9.2 Any agreement or agreements entered into between the Working 62
63 Interest Owners and the Unit Operator as provided in this Article, whether 63
64 one or more, are herein referred to as the "Unit Operating Agreement." 64
65 65

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

9.3 The Unit Operating Agreement shall provide the manner in which the Working Interest Owners shall be entitled to receive their respective share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other contracts, and such other rights and obligations, as between Unit Operator and the Working Interest Owners.

9.4 Neither the Unit Operating Agreement nor any amendment thereto shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement.

9.5 In case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall govern.

9.6 Three true copies of any Unit Operating Agreement executed pursuant to this Article IX shall be filed with the Supervisor prior to approval of this Agreement.

ARTICLE X - RIGHTS AND OBLIGATIONS OF UNIT OPERATOR

10.1 The right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting, producing, or allocating Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as provided in this Agreement in accordance with a Plan of Operations approved by the Supervisor.

10.2 Upon request by Unit Operator, acceptable evidence of title to geothermal resources interests in the Unitized Land shall be deposited with the Unit Operator, and together with this Agreement shall constitute and define the rights, privileges, and obligations of Unit Operator.

10.3 Nothing in this Agreement shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that the Unit Operator, in its capacity as Unit Operator shall exercise the rights of possession and use vested in the parties hereto only for the purposes specified in this Agreement.

10.4 The Unit Operator shall take such measures as the Supervisor deems appropriate and adequate to prevent drainage of Unitized Substances from Unitized Land by wells on land not subject to this Agreement.

10.5 The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this Agreement.

ARTICLE XI - PLAN OF OPERATION

11.1 Concurrently with the submission of this Agreement for approval, Unit Operator shall submit an acceptable initial Plan of Operation. Said plan shall be as complete and adequate as the Supervisor may determine to be necessary for timely exploration and/or development and to insure proper protection of the environment and conservation of the natural resources of the Unit Area.

11.2 Prior to the expiration of the initial Plan of Operation, or any subsequent Plan of Operation, Unit Operator shall submit for approval of the Supervisor an acceptable subsequent Plan of Operation for the Unit Area which, when approved by the Supervisor, shall constitute the exploratory and/or development drilling and operating obligations of Unit Operators under this Agreement for the period specified therein.

11.3 Any Plan of Operation submitted hereunder shall:

(a) Specify the number and locations of any wells to be drilled and

1 the proposed order and time for such drilling, and 1

2
3 (b) To the extent practicable, specify the operating practices 3
4 regarded as necessary and advisable for proper conservation of natural 4
5 resources and protection of the environment in compliance with section 1.1. 5
6

7 11.4 The Plan of Operation submitted concurrently with this Agreement 7
8 for approval shall prescribe that within six (6) months after the effective 8
9 date hereof, the Unit Operator shall begin to drill an adequate test well 9
10 at a location approved by the Supervisor, unless on such effective date a 10
11 well is being drilled conformably with the terms, hereof, and thereafter 11
12 continue such drilling diligently to a depth of 6,000 feet below ground level 12
13 or until at a lesser depth unitized substances shall be discovered which 13
14 can be produced in paying quantities (i.e., quantities sufficient to repay 14
15 the costs of drilling, completing, and producing operations, with a 15
16 reasonable profit) or the Unit Operator shall at any time establish to the 16
17 satisfaction of the Supervisor that further drilling of said well would be 17
18 unwarranted or impracticable. 18
19

20 11.5 The initial Plan of Operation and/or subsequent Plans of Opera- 20
21 tion submitted under this article shall provide that the Unit Operator shall 21
22 initiate a continuous drilling program providing for drilling of no less 22
23 than one well at a time, and allowing no more than six (6) months time to 23
24 elapse between completion of one well and the beginning of the next well, 24
25 until a well capable of producing Unitized Substances in paying quantities 25
26 is completed to the satisfaction of the Supervisor or until it is reasonably 26
27 proved that the Unitized Land is incapable of producing Unitized Substances 27
28 in paying quantities in the formations drilled under this Agreement. 28
29

30 11.6 When warranted by unforeseen circumstances, the Supervisor may 30
31 grant a single extension of any or all of the critical dates for explora- 31
32 tory drilling operations cited in the initial or subsequent Plans of Oper- 32
33 ation. No such extension shall exceed a period of four (4) months for each 33
34 well, required by the initial Plan of Operation. 34
35

36 11.7 Until there is actual production of Unitized Substances, the 36
37 failure of Unit Operator to timely drill any of the wells provided for in 37
38 Plans of Operation required under this Article XI or to timely submit an 38
39 acceptable subsequent Plan of Operations, shall, after notice of default 39
40 or notice of prospective default to Unit Operator by the Supervisor and 40
41 after failure of Unit Operator to remedy any actual default within a rea- 41
42 sonable time (as determined by the Supervisor), result in automatic termina- 42
43 tion of this Agreement effective as of the date of the default, as deter- 43
44 mined by the Supervisor. 44
45

46 11.8 Separate Plans of Operations may be submitted for separate 46
47 productive zones, subject to the approval of the Supervisor. Also subject 47
48 to the approval of the Supervisor, Plans of Operation shall be modified or 48
49 supplemented when necessary to meet changes in conditions or to protect the 49
50 interest of all parties to this Agreement. 50
51

52 ARTICLE XII - PARTICIPATING AREAS 52

53 12.1 Prior to the commencement of production of Unitized Substances, 53
54 the Unit Operator shall submit for approval by the Supervisor a schedule 54
55 (or schedules) of all land then regarded as reasonably proved to be pro- 55
56 ductive from a pool or deposit discovered or developed; all lands in said 56
57 schedule (or schedules), on approval of the Supervisor, will constitute a 57
58 Participating Area (or Areas) effective as of the date production commences 58
59 or the effective date of this Unit Agreement, whichever is later. Said 59
60 schedule (or schedules) shall also set forth the percentage of Unitized Sub- 60
61 stances to be allocated, as herein provided, to each tract in the Partici- 61
62 pating Area (or Areas) so established and shall govern the allocation of 62
63 production commencing with the effective date of the Participating Area. 63
64
65

1		1
2		2
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10		10
11		11
12		12
13		13
14		14
15		15
16		16
17		17
18		18
19		19
20		20
21		21
22		22
23		23
24		24
25		25
26		26
27		27
28		28
29		29
30		30
31		31
32		32
33		33
34		34
35		35
36		36
37		37
38		38
39		39
40		40
41		41
42		42
43		43
44		44
45		45
46		46
47		47
48		48
49		49
50		50
51		51
52		52
53		53
54		54
55		55
56		56
57		57
58		58
59		59
60		60
61		61
62		62
63		63
64		64
65		65

12.2 A separate Participating Area shall be established for each separate pool or deposit of Unitized Substances or for any group thereof which is produced as a single pool or deposit and any two or more Participating Areas so established may be combined into one, on approval of the Supervisor. The effective date of any Participating Area established after the commencement of actual production of Unitized Substances shall be the first of the month in which is obtained the knowledge or information on which the establishment of said Participating Area is based, unless a more appropriate effective date is proposed by the Unit Operator and approved by the Supervisor.

12.3 Any Participating Area (or Areas) established under 12.1 or 12.2 above shall, subject to the approval of the Supervisor, be revised from time to time to include additional land then regarded as reasonably proved to be productive from the pool or deposit for which the Participating Area was established or to include lands necessary to unit operations, or to exclude land then regarded as reasonably proved not to be productive from the pool or deposit for which the Participating Area was established or to exclude land not necessary to unit operations and the schedule (or schedules) of allocation percentages shall be revised accordingly.

12.4 Subject to the limitation cited in 12.1 hereof, the effective date of any revision of a Participating Area established under Articles 12.1 or 12.2 shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, provided, however, that a more appropriate effective date may be used if justified by the Unit Operator and approved by the Supervisor.

12.5 No land shall be excluded from a Participating Area on account of depletion of the Unitized Substances, except that any Participating Area established under the provisions of this Article XII shall terminate automatically whenever all operations are abandoned in the pool or deposit for which the Participating Area was established.

12.6 Nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of a Participating Area.

ARTICLE XIII - ALLOCATION OF UNITIZED SUBSTANCES

13.1 All Unitized Substances produced from a Participating Area, established under this Agreement, shall be deemed to be produced equally on an acreage basis from the several tracts of Unitized Land within the Participating Area established for such production.

13.2 For the purpose of determining any benefits accruing under this Agreement, each Tract of Unitized Land shall have allocated to it such percentage of said production as the number of acres in the Tract included in the Participating Area bears to the total number of acres of Unitized Land in said Participating Area.

13.3 Allocation of production hereunder for purposes other than for settlement of the royalty obligations of the respective Working Interest Owners, shall be on the basis prescribed in the Unit Operating Agreement whether in conformity with the basis of allocation set forth above or otherwise.

13.4 The Unitized Substances produced from a Participating Area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said Participating Area.

ARTICLE XIV - RELINQUISHMENT OF LEASES

14.1 Pursuant to the provisions of the Federal leases and 43 CFR 3244.1, a lessee of record shall, subject to the provisions of the Unit

1 Operating Agreement, have the right to relinquish any of its interests in 1
2 leases committed hereto, in whole or in part; provided, that no relinquish- 2
3 ment shall be made of interests in land within a Participating Area without 3
4 the prior approval of the Director. 4
5

6 14.2 A Working Interest Owner may exercise the right to surrender, 6
7 when such right is vested in it by any non-Federal lease, sub-lease, or 7
8 operating agreement, provided that each party who will or might acquire the 8
9 Working Interest in such lease by such surrender or by forfeiture is bound 9
10 by the terms of this Agreement, and further provided that no relinquishment 10
11 shall be made of such land within a Participating Area without the prior 11
12 written consent of the non-Federal Lessor. 12
13

14 14.3 If as the result of relinquishment, surrender, or forfeiture the 14
15 Working Interests become vested in the fee owner or lessor of the Unitized 15
16 Substances, such owner may: 16
17

18 (1) Accept those Working Interest rights and obligations subject to 18
19 this Agreement and the Unit Operating Agreement; or 19
20

21 (2) Lease the portion of such land as is included in a Participating 21
22 Area established hereunder, subject to this Agreement and the Unit Oper- 22
23 ating Agreement; and provide for the independent operation of any part of 23
24 such land that is not then included within a Participating Area established 24
25 hereunder. 25
26

27 14.4 If the fee owner or lessor of the Unitized Substances does not, 27
28 (1) accept the Working Interest rights and obligations subject to this 28
29 Agreement and the Unit Operating Agreement, or (2) lease such lands as pro- 29
30 vided in 14.3 above within six (6) months after the relinquished, surren- 30
31 dered, or forfeited Working Interest becomes vested in said fee owner or 31
32 lessor, the Working Interest benefits and obligations accruing to such land 32
33 under this Agreement and the Unit Operating Agreement shall be shared by the 33
34 owners of the remaining unitized Working Interests in accordance with their 34
35 respective Working Interest ownerships, and such owners of Working Interests 35
36 shall compensate the fee owner or lessor of Unitized Substances in such lands 36
37 by paying sums equal to the rentals, minimum royalties, and royalties appli- 37
38 cable to such lands under the lease or leases in effect when the Working 38
39 Interests were relinquished, surrendered, or forfeited. 39
40

41 14.5 Subject to the provisions of 14.4 above, an appropriate account- 41
42 ing and settlement shall be made for all benefits accruing to or payments 42
43 and expenditures made or incurred on behalf of any surrendered or forfeited 43
44 Working Interest subsequent to the date of surrender or forfeiture, and 44
45 payment of any moneys found to be owing by such an accounting shall be made 45
46 as between the parties within thirty (30) days. 46
47

48 14.6 In the event no Unit Operating Agreement is in existence and a 48
49 mutually acceptable agreement cannot be consummated between the proper 49
50 parties, the Supervisor may prescribe such reasonable and equitable condi- 50
51 tions of agreement as he deems warranted under the circumstances. 51
52

53 14.7 The exercise of any right vested in a Working Interest Owner 53
54 to reassign such Working Interest to the party from whom obtained shall be 54
55 subject to the same conditions as set forth in this Article XIV in regard 55
56 to the exercise of a right to surrender. 56
57

58 ARTICLE XV - RENTALS AND MINIMUM ROYALTIES 58

59 15.1 Any unitized lease on non-Federal land containing provisions 59
60 which would terminate such lease unless drilling operations are commenced 60
61 upon the land covered thereby within the time therein specified or rentals 61
62 are paid for the privilege of deferring such drilling operations, the rent- 62
63 als required thereby shall, notwithstanding any other provisions of this 63
64 Agreement, be deemed to accrue as to the portion of the lease not included 64
65 65

1 within a Participating Area and become payable during the term thereof as
2 extended by this Agreement, and until the required drillings are commenced
3 upon the land covered thereby. 1
4
5 15.2 Rentals are payable on Federal leases on or before the anni- 2
6 versary date of each lease year; minimum royalties accrue from the anni- 3
7 versary date of each lease year and are payable at the end of the lease 4
8 year. 5
9
10 15.3 Beginning with the lease year commencing on or after the comm- 6
11 encement of production in commercial quantities and for each lease year 7
12 thereafter, rental or minimum royalty for lands of the United States subject 8
13 to this Agreement shall be made on the following basis: 9
14
15 (a) An advance annual rental in the amount prescribed in unitized 10
16 Federal leases, in no event creditable against production royalties, shall 11
17 be paid for each acre or fraction thereof which is not within a Partici- 12
18 pating Area. 13
19
20 (b) A minimum royalty shall be charged at the beginning of each lease 14
21 year (such minimum royalty to be due as of the last day of the lease year 15
22 and payable within thirty (30) days thereafter) of \$2 an acre or fraction 16
23 thereof, for all Unitized Acreage within a Participating Area as of the 17
24 beginning of the lease year. If there is production during the lease year 18
25 the deficit, if any, between the actual royalty paid and the minimum roy- 19
26 alty prescribed herein shall be paid. 20
27
28 15.4 Rental or minimum royalties due on leases committed hereto shall 21
29 be paid by Working Interest Owners responsible therefor under existing con- 22
30 tracts, laws, and regulations, or by the Unit Operator. 23
31
32 15.5 Settlement for royalty interest shall be made by Working Interest 24
33 Owners responsible therefor under existing contracts, laws, and regulations, 25
34 or by the Unit Operator, on or before the last day of each month for Uni- 26
35 tized Substances produced during the preceding calendar month. 27
36
37 15.6 Royalty due the United States shall be computed as provided in 28
38 the operating regulations and paid in value as to all Unitized Substances 29
39 on the basis of the amounts thereof allocated to unitized Federal land as 30
40 provided herein at the royalty rate or rates specified in the respective 31
41 Federal leases. 32
42
43 15.7 Nothing herein contained shall operate to relieve the lessees 33
44 of any land from their respective lease obligations for the payment of any 34
45 rental, minimum royalty, or royalty due under their leases. 35
46
47 **ARTICLE XVI - OPERATIONS ON** 36
48 **NONPARTICIPATING LAND** 37
49
50 16.1 Any party hereto owning or controlling the Working Interest in 38
51 any Unitized Land having thereon a regular well location may, with the ap- 39
52 proval of the Supervisor and at such party's sole risk, costs, and expense, 40
53 drill a well to test any formation of deposit for which a Participating 41
54 Area has not been established or to test any formation or deposit for which 42
55 a Participating Area has been established if such location is not within 43
56 said Participating Area, unless within 30 days of receipt of notice from 44
57 said party of his intention to drill the well, the Unit Operator elects and 45
58 commences to drill such a well in like manner as other wells are drilled by 46
59 the Unit Operator under this Agreement. 47
60
61 16.2 If any well drilled by a Working Interest Owner other than the 48
62 Unit Operator proves that the land upon which said well is situated may 49
63 properly be included in a Participating Area, such Participating Area shall 50
64 be established or enlarged as provided in this Agreement and the well shall 51
65 thereafter be operated by the Unit Operator in accordance with the terms of 52

1 this Agreement and the Unit Operating Agreement. 1

2
3 ARTICLE XVII - LEASES AND CONTRACTS 3
4 CONFORMED AND EXTENDED 4
5 5

6 17.1 The terms, conditions, and provisions of all leases, subleases, 6
7 and other contracts relating to exploration, drilling, development, or pro- 7
8 duction of geothermal resources on lands committed to this Agreement, are 8
9 hereby expressly modified and amended only to the extent necessary to make 9
10 the same conform to the provisions hereof; otherwise said leases, subleases, 10
11 and contracts shall remain in full force and effect. 11

12 17.2 The parties hereto consent that the Secretary shall, by his 12
13 approval hereof, modify and amend the Federal leases committed hereto and 13
14 the regulations in respect thereto to the extent necessary to conform said 14
15 leases and regulations to the provisions of this Agreement. 15
16 16

17 17.3 The development and/or operation of lands subject to this Agree- 17
18 ment under the terms hereof shall be deemed full performance of any obliga- 18
19 tions for development and operation with respect to each and every sepa- 19
20 rately owned tract subject to this Agreement, regardless of whether there 20
21 is any development of any particular tract of the Unit Area. 21
22 22

23 17.4 Drilling and/or producing operations performed hereunder upon 23
24 any tract of Unitized Lands will be accepted and deemed to be performed 24
25 upon and for the benefit of each and every tract of Unitized Land. 25
26 26

27 17.5 Suspension of operations and/or production on all Unitized Lands 27
28 pursuant to direction or consent of the Secretary or his duly authorized 28
29 representative shall be deemed to constitute such suspension pursuant to 29
30 such direction or consent as to each and every tract of Unitized Land. A 30
31 suspension of operations and/or production limited to specified lands shall 31
32 be applicable only to such lands. 32
33 33

34 17.6 Subject to the provisions of Article XV hereof and 17.10 of this 34
35 Article, each lease, sublease, or contract relating to the exploration, 35
36 drilling, development, or production of geothermal resources of lands other 36
37 than those of the United States committed to this Agreement, is hereby ex- 37
38 tended beyond any such term so provided therein so that it shall be con- 38
39 tinued for and during the term of this Agreement. 39
40 40

41 17.7 Subject to the lease renewal and the readjustment provision of 41
42 the Act, any Federal lease committed hereto may, as to the Unitized Lands, 42
43 be continued for the term so provided therein, or as extended by law. This 43
44 subsection shall not operate to extend any lease or portion thereof as to 44
45 lands excluded from the Unit Area by the contraction thereof. 45
46 46

47 17.8 Each sublease or contract relating to the operations and develop- 47
48 ment of Unitized Substances from lands of the United States committed to 48
49 this Agreement shall be continued in force and effect for and during the 49
50 term of the underlying lease. 50
51 51

52 17.9 Any Federal lease heretofore or hereafter committed to any such 52
53 unit plan embracing lands that are in part within and in part outside of the 53
54 area covered by any such plan shall be segregated into separate leases as 54
55 to the lands committed and the lands not committed as of the effective date 55
56 of unitization. 56
57 57

58 17.10 In the absence of any specific lease provision to the contrary, 58
59 any lease, other than a Federal lease, having only a portion of its land 59
60 committed hereto shall be segregated as to the portion committed and the 60
61 portion not committed, and the provisions of such lease shall apply sepa- 61
62 rately to such segregated portions commencing as of the effective date 62
63 hereof. In the event any such lease provides for a lump-sum rental payment, 63
64 such payment shall be prorated between the portions so segregated in 64
65 65

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

proportion to the acreage of the respective tracts.

17.11 Upon termination of this Agreement, the leases covered hereby may be maintained and continued in force and effect in accordance with the terms, provisions, and conditions of the Act, the lease or leases, and amendments thereto.

ARTICLE XVIII - EFFECTIVE DATE AND TERM

18.1 This Agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate five (5) years from said effective date unless,

(a) Such date of expiration is extended by the Director, or

(b) Unitized Substances are produced in commercial quantities in which event this Agreement shall continue for so long as Unitized Substances are produced in commercial quantities, or

(c) This Agreement is terminated prior to the end of said five (5) year period as heretofore provided.

18.2 This Agreement may be terminated at any time by the owners of a majority of the Working Interests, on an acreage basis, with the approval of the Supervisor. Notice of any such approval shall be given by the Unit Operator to all parties hereto.

ARTICLE XIX - APPEARANCES

19.1 Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior, and to appeal from decisions, orders or rulings issued under the regulations of said Department, or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior or any other legally constituted authority; Provided, however, That any interested parties shall also have the right, at its own expenses, to be heard in any such proceeding.

ARTICLE XX - NO WAIVER OF CERTAIN RIGHTS

20.1 Nothing contained in this Agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense pertaining to the validity or invalidity of any law of the State wherein lands subject to this Agreement are located, or of the United States, or regulations issued thereunder, in any way affecting such party or as a waiver by any such party of any right beyond his or its authority to waive.

ARTICLE XXI - UNAVOIDABLE DELAY

21.1 The obligations imposed by this Agreement requiring Unit Operator to commence or continue drilling or to produce Unitized Substances from any of the land covered by this Agreement, shall be suspended while, but only so long as, Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, Acts of God, Federal or other applicable law, Federal or other authorized governmental agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of Unit Operator, whether similar to matters herein enumerated or not.

21.2 No unit obligation which is suspended under this section shall become due less than thirty (30) days after it has been determined that the suspension is no longer applicable.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

1 21.3 Determination of creditable "Unavoidable Delay" time shall be 1
2 made by the Unit Operator subject to approval of the Supervisor. 2
3 3
4 4

5 ARTICLE XXII - POSTPONEMENT OF OBLIGATIONS 5

6 22.1 Notwithstanding any other provisions of this Agreement, the 6
7 Director, on his own initiative or upon appropriate justification by Unit 7
8 Operator, may postpone any obligation established by and under this Agree- 8
9 ment to commence or continue drilling or to operate on or produce Unitized 9
10 Substances from lands covered by this Agreement when in his judgment, cir- 10
11 cumstances warrant such action. 11
12 12

13 ARTICLE XXIII - NONDISCRIMINATION 13
14 14

15 23.1 In connection with the performance of work under this Agreement, 15
16 the Operator agrees to comply with all of the provisions of section 202 16
17 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended 17
18 by Executive Order 11375 (32 F.R. 14303), which are hereby incorporated by 18
19 reference in this Agreement. 19
20 20

21 ARTICLE XXIV - COUNTERPARTS 21
22 22

23 24.1 This Agreement may be executed in any number of counterparts no 23
24 one of which needs to be executed by all parties, or may be ratified or 24
25 consented to by separate instruments in writing specifically referring 25
26 hereto, and shall be binding upon all parties who have executed such a 26
27 counterpart, ratification or consent hereto, with the same force and effect 27
28 as if all such parties had signed the same document. 28
29 29

30 ARTICLE XXV - SUBSEQUENT JOINDER 30
31 31

32 25.1 If the owner of any substantial interest in geothermal resources 32
33 under a tract within the Unit Area fails or refuses to subscribe or consent 33
34 to this Agreement, the owner of the Working Interest in that tract may with- 34
35 draw said tract from this Agreement by written notice delivered to the 35
36 Supervisor and the Unit Operator prior to the approval of this Agreement by 36
37 the Supervisor. 37
38 38

39 25.2 Any geothermal resources interests in lands within the Unit Area 39
40 not committed hereto prior to approval of this Agreement may thereafter be 40
41 committed by the owner or owners thereof subscribing or consenting to this 41
42 Agreement, and, if the interest is a Working Interest, by the owner of such 42
43 interest also subscribing to the Unit Operating Agreement. 43
44 44

45 25.3 After operations are commenced hereunder, the right of subse- 45
46 quent joinder, as provided in this Article XXV, by a Working Interest Owner 46
47 is subject to such requirements or approvals, if any, pertaining to such 47
48 joinder, as may be provided for in the Unit Operating Agreement. Joinder 48
49 to the Unit Agreement by a Working Interest Owner, at any time, must be 49
50 accompanied by appropriate joinder to the Unit Operating Agreement, if 50
51 more than one Committed Working Interest Owner is involved, in order for 51
52 the interest to be regarded as committed to this Unit Agreement. 52
53 53

54 25.4 After final approval hereof, joinder by a nonworking interest 54
55 owner must be consented to in writing by the Working Interest Owner com- 55
56 mitted hereto and responsible for the payment of any benefits that may 56
57 accrue hereunder in behalf of such nonworking interest. A nonworking 57
58 interest may not be committed to this Agreement unless the corresponding 58
59 Working Interest is committed hereto. 59
60 60

61 25.5 Except as may otherwise herein be provided, subsequent joinders 61
62 to this Agreement shall be effective as of the first day of the month fol- 62
63 lowing the filing with the Supervisor of duly executed counterparts of all 63
64 or any papers necessary to establish effective commitment of any tract to 64
65 this Agreement unless objection to such joinder is duly made within sixty 65

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

(60) days by the Supervisor.

ARTICLE XXVI - COVENANTS RUN WITH THE LAND

26.1 The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer, or conveyance, of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

26.2 No assignment or transfer of any Working Interest or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

ARTICLE XXVII - NOTICES

27.1 All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered or certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

ARTICLE XXVIII - LOSS OF TITLE

28.1 In the event title to any tract of Unitized Land shall fail and the true owner cannot be induced to join in this Agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title.

28.2 In the event of a dispute as to title as to any royalty, Working Interest, or other interests subject hereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled: Provided, That, as to Federal land or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the Supervisor to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

ARTICLE XXIX - TAXES

29.1 The Working Interest Owners shall render and pay for their accounts and the accounts of the owners of nonworking interests all valid taxes on or measured by the Unitized Substances in and under or that may be produced, gathered, and sold from the land subject to this Agreement after the effective date hereof.

29.2 The Working Interest Owners on each tract may charge a proper proportion of the taxes paid under 29.1 hereof to the owners of nonworking interests in said tract, and may reduce the allocated share of each royalty owner for taxes so paid. No taxes shall be charged to the United States or the State of Utah or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

ARTICLE XXX - RELATION OF PARTIES

30.1 It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this Agreement contained, expressed, or implied, nor any operations conducted hereunder, shall create

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69

or be deemed to have created a partnership or association between the parties hereto or any of them.

ARTICLE XXXI - SPECIAL FEDERAL LEASE
STIPULATIONS AND/OR CONDITIONS

31.1 Nothing in this Agreement shall modify special lease stipulations and/or conditions applicable to lands of the United States. No modification of the conditions necessary to protect the lands or functions of lands under the jurisdiction of any Federal agency is authorized except with prior consent in writing whereby the authorizing official specifies the modification permitted.

ARTICLE XXXII - STATE LANDS

32.1 Certain of the lands within the unit area are lands owned by the State of Utah, and in connection with the approval of this agreement by the Board of State Lands of said State, pursuant to applicable State laws and Federal regulations, it is agreed that there shall be filed with said Board:

(a) One copy of any revised Exhibits "A" and "B" concurrently with the filing thereof with the Supervisor pursuant to Article IV hereof.

(b) One copy of any notice of the proposed expansion or contraction of the Unit Area required to be delivered to the Supervisor pursuant to Article IV hereof.

(c) One copy of any notice of resignation or removal served pursuant to Article VII hereof.

32.2 Each party to this agreement, holding any lease or leases of lands owned by the State of Utah subject to this agreement, or holding any interest in or under such lease or leases or in the production from the lands covered hereby, agrees that said Board may alter, change or modify the drilling, producing and royalty requirements of such lease or leases, and the regulations in respect thereto, insofar as deemed advisable by the Board but no further than is necessary to conform the provisions of said lease or leases to the provisions of this agreement.

32.3 It is agreed that any extension of the term of this unit agreement pursuant to Article XVIII thereof must, as to the committed lands of the State of Utah, have the consent of the State Land Board.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and have set opposite their respective names the date of execution.

PHILLIPS PETROLEUM COMPANY

By: [Signature]
Attorney in Fact

Unit Operator (As Unit Operator and as Working Interest Owner)

STATE OF California)
COUNTY OF San Diego)

The foregoing instrument was acknowledged before me this 14th day of September, 1975, by C. N. Berge as Attorney in Fact for PHILLIPS PETROLEUM COMPANY.

WITNESS my hand and official seal.

[Signature]
Notary Public

My Commission expires: May 29, 1976
Place of Residence: San Diego, California



EXHIBIT "A"
SCHEDULE SHOWING THE HERITAGE AND KIND
OF OWNERSHIP OF GEOTHERMAL RESOURCES
ROOSEVELT HOT SPRINGS UNIT AREA
BEAVER COUNTY, UTAH

Bureau of Land Management
 Utah, State Office
 324 South State, Suite 301
 Salt Lake City, Utah 84111-3203

I hereby certify that this reproduction is a copy of the official record on file in this office.

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERLAPPING INTEREST AND PERCENTAGE	DATE
-----------	---------------------	-----------------	--	--	---------------------------------	-------------------------------------	------

LEASING

1000-89W, S1W Sec. 5: SW1/4	40.00	U-14690 10-31-84	USA - All	A. L. McDonald 100%	None	A. L. McDonald 100%	2/27
1000-89W, S1W Sec. 20: E3 Sec. 21: All Sec. 22: All	2,500.00	U-27383 10-31-84	USA - All	Union Oil Company of California 100%	None	Union Oil Company of California 100%	2/27
1000-89W, S1W Sec. 27: All Sec. 28: All Sec. 29: E1, SE1/4	1,640.00	U-27384 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%	2/27
1000-89W, S1W Sec. 23: All Sec. 26: All	1,280.00	U-27385 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%	2/27
1000-89W, S1W Sec. 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30	2,463.37	U-27386 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%	2/27

(continued)

(continued)

T2CS-R9W, SLM
 Sec. 33: All
 Sec. 34: Lots 1, 4, 5, 6, 7, E&NE1/4, E&NW1/4, S&NW1/4, SW1/4, Mineral Survey 4976B
 Sec. 35: All

 T2CS-R9W, SLM 1,644.05
 Sec. 30: Lots 1, 2, 3, 4, E&NW1/4, NE1/4
 Sec. 31: Lots 3, 4, E&SW1/4, SE1/4
 T2TS-R9W, SLM
 Sec. 8: All
 Sec. 7: Lots 1, 2, NE1/4, E&NW1/4

 T2CS-R9W, SLM 1,939.65
 Sec. 4: SE1/4
 Sec. 5: Lots 1, 2, SE1/4, S&NE1/4, SW1/4
 Sec. 9: All
 Sec. 9: NE1/4, SW1/4, E&SE1/4, NW1/4, SW1/4

 T2CS-R9W, SLM 1,961.40
 Sec. 1: Lots 1, 2, 3, 4, S1/2, S&N1/2
 Sec. 10: All
 Sec. 11: All

 T2TS-R9W, SLM 2,272.50
 Sec. 17: All
 Sec. 18: Lots 1, 2, NE1/4, E1/4
 Sec. 19: Lots 1, 2, 3, 4, E2, E&W2
 Sec. 20: All

U-27387 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%
U-27388 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%
U-27389 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%
U-27390 9-30-84	USA - All	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%

1273-R5H, S14 Sec. 21: A11 Sec. 28: A11 Sec. 29: A11	1,920.00	U-27391 10-31-84	USA - A11	Getty Oil Company 100%	None	Getty Oil Company 100%
1273-R5W, S14 Sec. 14: A11 Sec. 15: A11 Sec. 22: A11 Sec. 23: A11	2,560.00	U-27392 9-30-84	USA - A11	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%
1273-R5H, S14 Sec. 20: A11 Sec. 27: A11	1,280.00	U-27393 9-30-84	USA - A11	Phillips Petroleum Company 100%	None	Phillips Petroleum Company 100%

UNITED STATES TOTALING 20,600.97 ACRES OR 79.40% OF UNIT AREA

1273-R5H, S14 Sec. 10: A11	640.00	M1-25125 2-20-78	State of Utah A11	Eugene H. Davie 33 1/3% O'Brien Resource Corp. 66 2/3%	Thermal Power Co. of Utah 1/2 of 1/3 of Louis Cooper-1/3 of difference between 10% royalty interest due State of Utah and 15% royalty interest Austin B. Smith-1/3 of difference between 10% royalty interest due State of Utah and 15% royalty interest	Eugene H. Davie 33 1/3% O'Brien Resource Corp. 66 2/3%
-------------------------------	--------	---------------------	----------------------	--	---	---

572 25 113

T27E-R9W, S1M 681.88
 Sec. 2: Lots 1, 2, 3, 4, S $\frac{1}{2}$, S $\frac{1}{4}$ $\frac{1}{2}$
 Thermal Power Co. of Utah 100%
 None

T26E-R9W, S1M 520.00
 Sec. 32: S $\frac{1}{2}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$
 American Geothermal Energy Co. 100%
 Glenna M. Sorensen $\frac{1}{2}$ of 1%
 American Geothermal Energy Co. 100%

T26E-R9W, S1M 640.00
 Sec. 36: All
 Thermal Power Co. of Utah 100%
 None

TOTAL OF UTAH TRACTS TOTALING 2,481.88 ACRES OR 9.56% OF UNIT AREA

T26E-R9W, S1M 1,895.89
 Sec. 20: W $\frac{1}{2}$
 Sec. 29: NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$
 Sec. 30: E $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
 Sec. 31: Lots 1, 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
 SURFACE OWNER
 G. Arton Hanson Sheep Co. 100%
 American Geothermal Energy Co. 100%
 None

T27E-R9W, S1M
 Sec. 4: Lots 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$
 Sec. 5: Lots 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
 MINERAL INTEREST OWNERS
 G. Arton Hanson Sheep Co. 75%
 The Superior Oil Co. 25%
 American Geothermal Energy Co. 100%
 None
 American Geothermal Energy Co. 75%
 Unleased 25%

T27E-R9W, S1M 329.11
 Sec. 7: Lots 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
 SURFACE OWNER
 John Armstrong & Sons, Inc. 100%
 MINERAL INTEREST OWNER
 John Armstrong & Sons, Inc. 100%
 American Geothermal Energy Co. 100%
 None
 American Geothermal Energy Co. 100%
 American Geothermal Energy Co. 100%

operating rights, and royalty interests and subleases) covering any of said lands together with applications for approval thereof by the appropriate governmental authority;

(4) All statements of interests and holdings and all other statements required or which may be required of an offeror, lessee or assignee by the aforesaid Act and the regulations of the Department of the Interior promulgated pursuant thereto, and the Company hereby agrees to be bound by such representations of said Attorney-in-Fact and waives any and all defenses which may be available to the Company to contest, negate, or disaffirm the acts of the Attorney-in-Fact under this Power of Attorney;

(5) Applications for extensions and renewals of geothermal leases and applications for exchange leases and acceptances there

(6) Applications for and acceptances of surface leases, easements, rights-of-way, special use permits, and seismographic and geophysical or geological permits or licenses;

(7) Any and all instruments relating to the transfer, sale, conveyance, assignment, release or disposal of geothermal leases or applications or offers therefor or any interests there covering any of said lands, including but not limited to: farmout or agreements for farmout of leases in whole or in part; assignments, transfers or conveyances of leases (including assignments of working or operating rights as well as the record title) in whole or in part; subleases, releases, surrenders, forfeitures, or relinquishments of leases in whole or in part; withdrawals of applications or offers for leases; instruments creating, assigning or otherwise pertaining to royalties, overriding royalty interests, production payments, carried interest, net profits interest or any of same.

(8) Any and all instruments relating to the pooling or unitization of leasehold, royalty or other interests in geothermal resources in any of said lands, including but not limited to: unitization agreements; communitization agreements; unit agreements; unit operating agreements; pooling agreements, agreements or declarations expanding, contracting or terminating units; agreements or declarations designating unit operator, successor unit operator or sub-operator; ratifications and joinders to unit agreements and unit operating agreements and consents to such ratifications and joinders; applications for approval of unit areas and all other instruments submitted to or filed with governmental authorities pursuant to the statutes and regulations pertaining to pooling and unitization;

(9) Any and all other instruments relating to exploration, development and operations under a geothermal lease covering any of said lands, including but not limited to: operating agreements; designations of operator or agent; compensatory royalty agreements; bonds of lessee; licensee; permittee or operator; and notices;

(10) Instruments modifying, amending, renewing, extending, ratifying, forfeiting, canceling, or terminating any and all of the aforementioned types of instruments and documents;

with such terms and conditions as said Attorney-in-Fact shall deem proper and advisable, giving and granting unto said Attorney-in-Fact full and complete power and authority to do and perform any and all acts and things whatsoever necessary and requisite

to be done as may be necessary and proper in the premises.

BEAVER COUNTY RECORDER

Date: 05/22/2000

FOR JONES WALDO & HOLBROOK

Total: 384.00 Check
Entries 206731 - 206732
Book 0326
Pages 0744 - 0815
Filed by: RBB

BK 326 Pg 500-A
BOOK 250 PAGE 717

Phillips Petroleum Company hereby declares that each and every act, matter and thing which shall be given, made and done by the said C. W. Berge in connection with the exercise of any or all of the aforesaid powers shall be as good, valid, and effectual to all intents and purposes as if the same had been given, made and done by the said Phillips Petroleum Company in its corporate presence and it hereby ratifies whatsoever the said Attorney-in-Fact shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, Phillips Petroleum Company has caused its name to be subscribed and its corporate seal to be affixed this 15th day of July, 1974.

ATTEST:
Thomas W. Berge
Secretary

PHILLIPS/PETROLEUM COMPANY
By Libby A. Berge
Vice President

WITNESSES:
Pat Morris
James J. ...

RESOLUTION

RESOLVED, That C. W. Berge is hereby authorized and empowered to make, enter into, execute, deliver, file and accept, from time to time, on behalf of the Company and in the Company's name and for the sole and exclusive benefit of the Company, the following described instruments and documents relating to any lands in the United States administered by the Secretary of the Interior, including public, withdrawn and acquired lands, and lands in national forests and other lands administered by the Department of Agriculture through the Forest Service, including public, withdrawn and acquired lands, and lands which have been conveyed by the United States subject to a reservation to the United States of geothermal steam and associated geothermal resources therein:

- (1) Offers, applications and bids to lease and leases for geothermal steam and associated geothermal resources under and pursuant to the Geothermal Steam Act of December 24, 1970, and any and all agreements supplementing or amending any such leases;
- (2) Stipulations concerning the use or management of the surface of any such lands under geothermal leases, and any and all other stipulations concerning operations under said leases;
- (3) Acceptance of assignments to the Company of geothermal leases or interests therein (including assignments of working and operating rights, and royalty interests and subleases) covering any of said lands, together with applications for approval thereof by the appropriate governmental authority;
- (4) All statements of interests and holdings and all other statements required or which may be required of an offeror, lessee, or assignee by the aforesaid Act and the regulations of the Department of the Interior promulgated pursuant thereto;
- (5) Applications for extensions and renewals of geothermal leases and applications for exchange leases and acceptances thereof;
- (6) Applications for and acceptances of surface leases, easements, rights-of-way, special use permits, and seismographic and geophysical or geological exploration permits or licenses;

(7) Any and all instruments relating to the transfer, sale, conveyance, assignment, release or disposal of geothermal leases or applications or offers therefor or any interests therein covering any of said lands, including but not limited to: farm-outs or agreements for farmout of leases in whole or in part; assignments, transfers or conveyances of leases (including assignments of working or operating rights as well as the record title) in whole or in part; subleases, releases, surrenders, forfeitures, or relinquishments of leases in whole or in part; withdrawals of applications or offers for leases; instruments creating, assigning or otherwise pertaining to royalties, overriding royalty interests, production payments, carried interest, net profits interest or any of same;

(8) Any and all instruments relating to the pooling or unitization of leasehold, royalty or other interests in geothermal resources in any of said land, including but not limited to: unitization agreements; communitization agreements; unit agreements; unit operating agreements; pooling agreements; agreements or declarations expanding, contracting or terminating units; agreements or declarations designating unit operator, successor unit operator or sub-operator; ratifications and joinders to unit agreements and unit operating agreements and consents to such ratifications and joinders; applications for approval of unit areas and all other instruments submitted to or filed with governmental authorities pursuant to the statutes and regulations pertaining to pooling and unitization;

(9) Any and all other instruments relating to exploration, development and operations under geothermal leases covering any of said lands, including but not limited to: operating agreements; designations of operator or agent; compensatory royalty agreements; bonds of lessee, licensee, permittee or operator; and notices;

(10) Instruments modifying, amending, renewing, extending, ratifying, forfeiting, canceling, or terminating any and all of the aforementioned types of instruments and documents;

with such terms and conditions as said Attorney-in-Fact shall deem proper and advisable, giving and granting unto said Attorney-in-Fact full and complete power and authority to do and perform any and all acts and things whatsoever necessary and requisite to be done as may be necessary and proper in the premises.

RESOLVED, FURTHER, That the Chairman of the Board of Directors, the President, any Executive Vice President, or any other Vice President of the Company is hereby authorized and empowered to execute and deliver in the name of and on behalf of the Company, with its corporate seal thereunto affixed and attested by its Secretary or any of its Assistant Secretaries, a formal Power of Attorney naming the said C. W. Berge as agent and Attorney-in-Fact of the Company with the authority and power hereinbefore enumerated and the said officers are hereby given ample discretion to determine the clauses which said instrument or instruments should contain.

RESOLVED, FURTHER, That the aforementioned officers of the Company are authorized in their discretion to revoke, in whole or in part, said Power of Attorney.

I, the undersigned, Henry W. Thompson, the duly elected, qualified, and acting Secretary of Phillips Petroleum Company, a Delaware corporation, with an operating office at Bartlesville, Oklahoma, do hereby certify that Section 2 of Article IV of the Bylaws of Phillips Petroleum Company provides that:

"The Executive Committee shall, except as limited by law and/or the Board of Directors, possess and may exercise and perform each and all of the powers of the Board when the Board is not in session."

I further certify that the powers of the Executive Committee of Phillips Petroleum Company, as provided in Section 2 of Article IV of the Bylaws of said company, have not been limited by the Board of Directors.

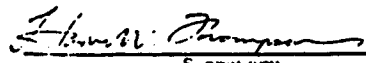
I further certify that on April 9, 1971, the Board of Directors of Phillips Petroleum Company was not in session.

I further certify that the attached and foregoing is a full, true and correct copy of a Resolution adopted by said Executive Committee at a meeting held in Bartlesville, Oklahoma, on April 9, 1971.

I further certify that the attached and foregoing Resolution of said Executive Committee has not been amended, cancelled, or superseded and is in full force and effect as of the date of this certificate.

I further certify that the attached and foregoing Resolution of said Executive Committee is in accordance with the Certificate of Incorporation and the Bylaws of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said company, at the City of Bartlesville, Washington County, State of Oklahoma, this 9th day of April, A.D., 1971.


Secretary
Phillips Petroleum Company

BOOK ~~250~~ PAGE ~~722~~
326 805

RECEIVED

JUN 29 1999

Bureau of
Land Management

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF GEOTHERMAL RESOURCES
ROOSEVELT HOT SPRINGS UNIT AREA
BEAVER COUNTY, UTAH

1:00 FOR RECORD
1:00 o'clock

MAY - 3 1999
JUDITH H. ZAPPAL
Beaver County Register
Dep.
9-30-50

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE		OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST AND PERCENTAGE	
1.	T27S-R9M, S1M SEC 9: SW/4SE/4	40.00	U-14990 10-31-84 HBU	U.S.A.-A11		*Geothermal Power Corp. 50% Graywes Resources Inc. 50%	A.L. McDonald 5%	*Geothermal Power Corp. 50% Graywes Resources Inc. 50%			
2.	T26S-R9M, S1M SEC 20: E7/2 SEC 21: A11 SEC 22: A11	1,600.00	U-27383 10-31-84 HBU	U.S.A.-A11		*Union Oil Company of California 100%	None	*Union Oil Company of California 100%			
3.	T26S-R9M, S1M SEC 27: A11 SEC 28: A11 SEC 29: E/2, SE/4SW/4	1,640.00	U-27384 9-30-84 HBU	U.S.A.-A11		Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%			
4.	T26S-R9M, S1M SEC 23: A11 SEC 26: A11	1,280.00	U-27385 9-30-84 HBU	U.S.A.-A11		Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%			

172031

Bureau of Land Management
Utah, State Office
324 South State, Suite 301
Salt Lake City, Utah 84111-2303

I hereby certify that this reproduction is a copy of the official
-1- record on file in this office.

J. L. Wright
Authorized Signature
Date 5-2-90

*Lessee of record in Salt Lake City BLM Office as of 6/20/89.

Recorded by & return to:
R.L. Wright
P.O. Box 11841
Salt Lake City, Ut. 84147

Revised 6-20-89

<p>5. <u>T27S-R9W, SLM</u> 2,463.37 Sec 3: Lots 1,2,3,4, S/2NW/2, S/2, M.S. 4976B Sec 4: Lot 1</p> <p><u>T26S-R9W, SLM</u> Sec 33: All Sec 34: Lots 1,4,5,6,7, E/2NE/4, NW/4NE/4, N/2NW/4, SW/4NW/4, W/2SW/4, M.S. 4976B Sec 35: All</p>	<p>U-27386 9-30-84 HBU</p> <p>U.S.A.-A11</p> <p>Intermountain Geothermal Co. 100%</p> <p>None</p> <p>Intermountain Geothermal Co. 100%</p>
<p>6. <u>T26S-R9W, SLM</u> 1,644.05 Sec 30: Lots 1,2,3,4, E/2NW/4, NE/4SW/4 Sec 31: Lots 3,4 E/2SW/4, SE/4</p> <p><u>T27S-R9W, SLM</u> Sec 6: All Sec 7: Lots 1,2, NE/4, E/2NW/4</p>	<p>U-27387 9-30-84 HBU</p> <p>U.S.A.-A11</p> <p>Intermountain Geothermal Co. 100%</p> <p>None</p> <p>Intermountain Geothermal Co. 100%</p>
<p>7. <u>T27S-R9W, SLM</u> 1,939.65 Sec 4: S/2 Sec 5: Lots 1,2, SE/4, S/2NE/4, SW/4SW/4 Sec 8: All Sec 9: N/2, SW/4, E/2SE/4, NW/4SE/4</p>	<p>U-27388 9-30-84 HBU</p> <p>U.S.A.-A11</p> <p>Intermountain Geothermal Co. 100%</p> <p>None</p> <p>Intermountain Geothermal Co. 100%</p>

CCO ~~326~~ PLO ~~807~~
326 807

8.	T27S-R9W, SLM Sec 1: Lots 1,2,3,4, S/2N/2, S/2 Sec 10: A11 Sec 11: A11	1,961.40	U-27389 9-30-84 HBU	U.S.A.-A11	Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%
9.	T27S-R9W, SLM Sec 17: A11 Sec 18: Lots 1,2, NE/4, E/2NW/4 Sec 19: Lots 1,2,3,4, E/2W/2, E/2 Sec 20: A11	2,272.50	U-27390 9-30-84 HBU	U.S.A.-A11	Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%
10.	T27S-R9W, SLM Sec 21: A11 Sec 28: A11 Sec 29: A11	1,920.00	U-27391 10-31-84 HBU	U.S.A.-A11	Intermountain Geothermal Co. 100%	Getty Oil Co. 5% and Production payment of 2 1/7%	Intermountain Geothermal Co. 100%
11.	T27S-R9W, SLM Sec 14: A11 Sec 15: A11 Sec 22: A11 Sec 23: A11	2,560.00	U-27392 9-30-84 HBU	U.S.A.-A11	Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%
12.	T27S-R9W, SLM Sec 26: A11 Sec 27: A11 ..	1,280.00	U-27393 9-30-84 HBU	U.S.A.-A11	Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%

12 FEDERAL TRACTS TOTALING 20,600.97 ACRES OR 79.40% OF UNIT AREA

STATE LANDS:

13.	T27S-R9W, SLM SEC 16: A11	640.00	ML-25128 2-28-78 HBU	State of Utah A11	Steam Reserve Corp. Corp. 68.7778% O'Brien Resources Corp. 31.2222%	Thermal Explor. Co. 41.6625% of 100% Rosemary Davie 16.667% of 100% Bowman Thermal Power Co. 66.66% of 100%	Steam Reserve Corp. 68.7778% O'Brien Resources Corp. 31.2222%
14.	T27S-R9W, SLM SEC 2: Lots 1, 2, 3, 4, S/2, S/2N/2	681.88	ML-27536 5-31-81 HBU	State of Utah A11	Steam Reserve Corp. 68.7778% O'Brien Resources Corp. 31.2222%	Rosemary Davie 50% of 100% Thermal Explor. Co. 4.125% of 33.33% of 100% C. J. Von Hoene 1.5% of 33.33% of 100% William A. Stevenson 12.5% of 100% Thermal Power Co. 66.66% of 100%	Steam Reserve Corp. 68.7778% O'Brien Resources Corp. 31.2222%
15.	T26S-R9W, SLM SEC 32: S/2, NE/4, SW/4NW/4	520.00	ML-40988 11-30-93 HBU	State of Utah A11	Intermountain Geothermal Co. 100%	None	Intermountain Geothermal Co. 100%

**Thermal Exploration Co. is doing business in Utah as O'Brien Resources Corporation.

16. T26S-R9W, SLIM
 SEC 36: All
 640.00 ML-27889
 8-31-83 HBU
 State of Utah
 All
 Steam Reserve Corp.
 68.7778%
 **O'Brien Resources
 Corp.
 31.2222%
 Rosemary Davie
 Bowman
 .1666% of 100%
 **O'Brien Resources
 Corp.
 31.2222%
 Thermal
 Power Co.
 .6666% of 100%

4 STATE OF UTAH TRACTS TOTALING 2,481.88 ACRES OR 9.56% OF UNIT AREA

BOOK 250 PAGE 127
 320 810

**Thermal Exploration Co. is doing business in Utah as O'Brien Resources Corporation.

Revised 6-20-80

-5-

PATENTED LANDS:

17.	T26S-R9W, S1M Sec 20: W/2 Sec 29: NW/4, N/2SW/4, SH/4SW/4 Sec 30: E/2, SE/4SW/4 Sec 31: Lots 1, 2, NE/4, E/2NW/4 T27S-R9W, S1M Sec 5: Lots 3, 4, S/2NW/4, N/2SW/4, SE/4SW/4	1,586.17	9-30-91	SURFACE OWNERS G. Aaron Hanson Sheep Co. 100%	Roosevelt Hot Springs Corp. 100%	None	Roosevelt Hot Springs Corp. 100%
			9-30-91	MINERAL OWNERS G. Aaron Hanson Sheep Co. 37 1/2% Superior Oil Co. 25% Hilda R. Hanson & Verdeen H. Lucy 37 1/2%	Roosevelt Hot Springs Corp. 100%	None	Roosevelt Hot Springs Corp. 100%
18.	T27S-R9W, S1M Sec 7: Lots 3, 4, E/2SW/4, SE/4	329.11	4-3-91	SURFACE OWNER U.S.A.-ATI MINERAL OWNERS Armstrong & Otisen, a general partnership 100%	Roosevelt Hot Springs Corp. 100% Roosevelt Hot Springs Corp. 100%	None None	Roosevelt Hot Springs Corp. Roosevelt Hot Springs Corp.
19.	T26S-R9W, S1M Sec 32: NW/4NW/4	40.00		SURFACE OWNERS H.W. & Julia M. Goff 100% MINERAL OWNERS H.W. & Julia M. Goff 100%	Unleased Unleased	None None	

20.	T26S-R9M, SLM Sec 32: SE74NW/4	40.00	SURFACE OWNERS Donald E. and Marjorie K. Rule 100%	Unleased	None
			MINERAL OWNERS Donald E. and Marjorie K. Rule 100%	Unleased	None
21.	T26S-R9M, SLM Sec 32: NE74NW/4	40.00	SURFACE OWNERS Cliffon H. and Estelle G. Goff 100%	Unleased	None
			MINERAL OWNERS Cliffon H. and Estelle G. Goff 100%	Unleased	None
22.	T26S-R9M, SLM Sec 34: Lots 2,3,8,9, Patented Mining Claims Paradox and Paradox No. 1	188.03	MINERAL OWNERS Phyllis L. Goates, Dorothy L. Shields & Richard F. Goates 100%	Roosevelt Hot Springs Corp.	Roosevelt Hot Springs Corp. 100%
23.	T27S-R9M, SLM Sec 18: Lots 3,4, E/2SW/4, SE/4	330.50	SURFACE OWNER Malone Quarries, Inc. 100%		Malone Quarries, Inc. 100%
			MINERAL OWNER Malone Quarries, Inc. 100%		Malone Quarries, Inc. 100%

BOOK 224 PAGE 424
326 812

24.	T27S-R9W, SLM Sec 4: Lots 2,3,4, S/2N/2	309.72	9-30-91	SURFACE OWNER Intermountain Geothermal Co. 100%	Roosevelt Hot Springs Corp. 100%	None	Roosevelt Hot Springs Corp. 100%
				MINERAL OWNERS Intermountain Geothermal Co. 50% The Superior Oil Co. 25%	Roosevelt Hot Springs Corp. 100%	None	Roosevelt Hot Springs Corp. 100%
				G. Aaron Hanson Sheep Co. 12 1/2%	Roosevelt Hot Springs Corp. 100%	None	Roosevelt Hot Springs Corp. 100%
				Hilda R. Hanson & Verdeen H. Lucy 12 1/2%	Roosevelt Hot Springs Corp. 100%	None	Roosevelt Hot Springs Corp. 100%

9 PATENTED TRACTS TOTALING 2,863.53 ACRES OR 11.04% OF UNIT AREA

TOTAL 24 TRACTS, 25,946.38 ACRES IN ENTIRE UNIT AREA

BOOK 250 PAGE 12

326 8/1

This lease was not renewed.

OIL AND GAS LEASE

(RHSC/O&G-004, 81)

THIS AGREEMENT made this 5th 149243 day of March 1981, between

VERDEEN H. LUCY
HILDA R. HANSON

lessor (whether one or more), whose address is 1773 Yale Avenue, Salt Lake City, Utah 84108
and ROOSEVELT HOT SPRINGS CORP., 1102 Walker Bldg, Salt Lake City, Utah 84111, lessee, WITNESSETH:

1. Lessor, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil and gas, including casinghead gas, casinghead gasoline, condensate and all related hydrocarbons, and including all other products produced therefrom, hereinafter referred to collectively as "said minerals", together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of said water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting said minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Beaver, State of Utah and is described as follows:

TOWNSHIP 27 SOUTH - RANGE 10 WEST, SLM, UTAH

Section 2: Lots 1, 2, 3 and 4; S/2 N/2; (N/2)

containing 356.24 acres, more or less

FILED FOR RECORD 11:30 o'clock A m

APR 14 1982

Beaver County Recorder

This lease also covers and includes any land contiguous to or adjoining the land above described, other than those constituting another governmental subdivision, and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preferential right of acquisition. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 356.24 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other of said minerals produced and marketed or utilized by lessee from said land, one-tenth either in kind or the market value thereof at the well, at lessee's election. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market said minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease unit, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety (90) consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety-day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to the amount of annual delay rental provided for in this lease. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety-day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the depository bank provided for below. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all of said minerals or horizons, so as to establish units containing not more than 640 surface acres, plus 10% acreage tolerance; provided, however, larger units than those herein permitted, either at the time established, or if thereafter are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or operation as to each desired unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder shall not have the effect of exchanging or transferring any interest under this lease between parties. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If operations are not conducted on said land on or before the first anniversary date hereof, this lease shall terminate as to both parties, unless lessee on or before said date shall, subject to the further provisions hereof, pay or tender to lessor or to lessor's credit in the

1973 Yale Avenue Bank at SALT LAKE CITY, UTAH 84108 or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$ 356.24

which shall operate as delay rental and cover the privilege of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or other moneys, in the manner herein specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to lessor or to the depository bank on or before the last date for payment. Said delay rental shall be apportionable as to said land on the acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depository, shall nevertheless be sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof from lessor. If the depository bank should refuse to accept any rental tendered hereunder, the tender nevertheless shall be fully effective and lessee shall have no obligation to another bank as agent to receive such payment. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all of said minerals and horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

326 - 814

6. If at any time or times during the primary term operations are discontinued, unless on or before such anniversary date lessee terminates on its anniversary date next following the ninetieth (90th) day after such discontinuance, unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental, provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such term or on the ninetieth (90th) day after discontinuance of all operations, whichever is the later date, unless, on such later date (1) lessee is conducting operations or (2) the provisions of paragraph 3 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other of said minerals, or the production of oil, gas or other of said minerals, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any of said minerals or horizons. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, delay rental, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, delay rental, or other moneys, or part thereof to the credit of the decedent in the depository bank provided for above. In the event of assignment of this lease as to any part (whether divided or undivided) of said land, the delay rental payable hereunder shall be apportionable as between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay rental payment by one shall not affect the right of other leasehold owners hereunder.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in said minerals, or any of them, in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. Lessor hereby expressly relinquishes dower and releases and waives all rights under and by virtue of the homestead exemption laws insofar as they may in any way affect the purpose for which this lease is made.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Social Security or I.D. Number: _____
 Social Security or I.D. Number: _____
 Social Security or I.D. Number: _____
 Social Security or I.D. Number: _____

x Verdeen H. Lucy
 Social Security or I.D. Number: 5387130-1005
VERDEEN H. LUCY
 Social Security or I.D. Number: _____
 y Hilda R. Hanson
 Social Security or I.D. Number: _____
HILDA R. HANSON
 Social Security or I.D. Number: _____

STATE OF Utah)
)
 COUNTY OF Salt Lake) SS.)
)

INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that VERDEEN H. LUCY
 and HILDA R. HANSON, to me personally known, and known to me to be the same persons described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that he, y executed and delivered the same as their free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.
 Given under my hand and official seal this 17th day of January, 1952.

My Commission Expires: _____
 Notary Public in and for said County and State, residing at _____

STATE OF UTAH)
)
 COUNTY OF Salt Lake) SS.)
)

INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that _____
 and _____, to me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that _____ executed and delivered the same as _____ free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.
 Given under my hand and official seal this _____ day of _____, 19____.

My Commission Expires: _____
 Notary Public in and for said County and State, residing at _____

WHEN RECORDED RETURN TO:

This instrument was filed for record on the _____ day of _____, 19____ at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office. _____ County Clerk
 County of _____ State of _____
 Book 123 141-142

326 819