DOC # 00378428

Oil and Gas Leases and Agreement B: 0678 P: 1562
Jayrene B Nielsen Sevier County Recorder Page 1 of 5
03/12/2013 03:22:18 PMFee \$22.00By WOLVERINE GAS & OIL

OIL AND GAS LEASE

Utah Producers 88(DOP)2/00

Prospect: Fisheye 2012

AGREEMENT, Made and entered into the <u>27th</u> day of <u>February</u>, <u>2013</u>, by and between <u>D. Michael Jorgensen</u>, <u>Personal Representative of the Estate of Celia Jorgensen</u>, <u>deceased</u>, whose address is: <u>139 North 300 East</u>, <u>Salina</u>, <u>Utah 84654</u> hereinafter called Lessor (whether one or more) and

WOLVERINE GAS AND OIL CORPORATION, whose address is One Riverfront Plaza, 55 Campau NW, Grand Rapids, MI 49503, hereinafter called Lessee:

WITNESSETH: that Lessor, for and in consideration of ten or more DOLLARS (\$10.00+) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto said lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate), gas producible from coal-bearing formations, and any substance, whether similar or dissimilar, produced in a gaseous state, all associated hydrocarbons produced in a liquid or gaseous form, all sulfur, and for injecting water and other fluids, gas, air, and other gaseous substances into subsurface strata, together with the right to construct and maintain pipelines, telephone and electric lines, tanks, powerlines, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or co-jointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said land being situated in the County of Sevier, State of Utah, and being described as follows, to-wit:

See EXHIBIT "A" Attached Hereto

together with all strips, parcels of land and riparian rights adjoining or contiguous to the above described tract of land, and owned or claimed by lessor and containing 11.98 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long hereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such

operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

- 2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered. The consideration paid upon delivery of this lease shall be deemed as bonus and rental payment in full. Said consideration is hereby allocated: 1/5th of the total being a bonus payment and the remaining 4/5ths allocated as four equal annual rental payments.
 - 3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal of one-eighth (1/8th) of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8th) of the gross proceeds each year, payable monthly, for the gas from each well where gas only is found, while the same is being used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

- 4. Where gas from a well capable of producing gas is not sold or used, Lessee shall pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. Such payment or tender shall be considered as gas production within the meaning of this lease.
- 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 (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
- 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
 - 7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.
- 8. No well shall be drilled nearer than 200 feet to houses, barns, or other facilities, including Lessors water facilities now on said premises without written consent of Lessor.
 - 9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.
- 10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
- 11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.
- 12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well

DOC # 00378428

Oil and Gas Leases and Agreement B: 0678 P: 1563

Jayrene B Nielsen Sevier County Recorder Page 2 of 5

03/12/2013 03:22:18 PMFee \$22.00By MOLVERINE GAS & OIL

for want of a market under this lease. In lieu of the royalties
Lessor shall receive on production from the unit so pooled

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

- 13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.
- Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
- 15. Should any one or more of the parties herein above named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
- 16. This lease may, at Lessee's option, be extended as to all or part of the lands covered hereby for an additional primary term of <u>five</u> years commencing on the date that the lease would have expired but for the extension. Lessee may exercise its option by paying or tendering to Lessor an extension payment <u>equal to the original bonus of the primary term</u> for the land then covered by the extended lease. If Lessee exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term; said extension payment shall be allocated over the extension term in the same manner as set out in paragraph 2 numbered above.

OTHER PROVISIONS:

- 17. This is a non-development lease. No operations will be conducted on the surface of the lands leased herein.
- 18. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.

DOC # 00378428

Oil and Gas Leases and Agreement B: 0678 P: 1564

Jayrene B Nielsen Sevier County Recorder Page 3 of 5

03/12/2013 03:22:18 PMFee \$22.00By WOLVERINE GAS & OIL

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

	Estate of Celia Jorgensen, deceased
**************************************	By: D. Michael Forgensen, Personal Representative
STATE OF <u>UTAH</u>)	<u> </u>
COUNTY OF <u>SEVIER</u>) ss. ACKNO	WLEDGEMENT
BEFORE ME, the undersigned authority, on this expresentative of the Estate of Celia Jorgensen, decease the foregoing instrument and acknowledged to me that he exexpressed.	lay personally appeared D. Michael Jorgensen, Personal d. known to me to be the person whose name is subscribed to tecuted the same for the purposes and consideration therein
GIVEN UNDER MY HAND AND SEAL OF OF	FICE THIS 27th day of February , 2013.
My commission expires: 10-28-2014	Charles Irons, Notary Public
	CHARLES MONS Notary Public, State of Utah Commission # 692747 My Commission Expires October 28, 2014

After recording, return to: Wolverine Gas & Oil Corporation One Riverfront Plaza, 55 Campau NW Grand Rapids, MI 49503

DOC # 00378428

Oil and Gas Leases and Agreement B: 0678 P: 1565

Jayrene B Nielsen Sevier County Recorder Page 4 of 5
03/12/2013 03:22:18 PMFee \$22.00By WOLVERINE GAS & OIL

EXHIBIT "A"

This Exhibit A is attached to and made a part thereof that certain Oil and Gas Lease dated February 27, 2013, by and between D. Michael Jorgensen, Personal Representative of the Estate of Celia Jorgensen, deceased, as Lessor, and WOLVERINE GAS AND OIL CORPORATION, as Lessee.

Property being situated in the County of Sevier, State of Utah, and being described as follows, to-wit:

Township 21 South, Range 1 East, Salt Lake Base & Meridian

A parcel of land for a freeway known as Project No. 70-1, being part of an entire tract of property in Lot 4, the SE4SW4 and the SW4SE4 of Section 31, T21S-R1E and in Lots 1, 2 and 3 of Section 6, T22S-R1E

Section 31: That portion of the following tract lying in the SE4SW4 and the SW4SE4 thereof:

Beginning in the west line of said Section 31 at a point approximately 854 feet north from the SW corner of said Section 31; thence Easterly 472.42 feet, more or less, along the arc of a 1°00' curve to the right (Note: Tangent to said curve at its point of beginning bears S 77°49'27" E); thence S 73°06' E 1860.49 feet along the eastbound control line of said project to a point of tangency with a 0°30' curve to the left; thence Easterly 2998.03 feet, more or less, along the arc of said 0°30' curve to the east line of said Section 6 at a point approximately 324.02 feet south from the NE corner of said Section 6; thence North 135.71 feet along said east line; thence Westerly 293;21 feet, more or less, along the arc of an 11,389.156-foot radius curve to the right to a point 70.0 feet radially distant northerly from the westbound control line of said project at Engineer Station 2951+00 (Note: Tangent to said curve at its point of beginning bears N 88°03'47" W); thence N 74°10'20" W 404.14 feet; thence Westerly 496.05 feet along the arc of an 11,309.156-foot radius curve to the right (Note: Tangent to said curve at its point of beginning bears N 84°35'16" W); thence S 85°17'38" W 302.58 feet, thence N 79°34'07" W 595.90 feet; thence N 74°42'05" W 891.13 feet; thence N 73°53'12" W 1103.01 feet; thence N 39°20'54" W 360.24 feet; thence N 73°06'00" W 565.38 feet; thence N 69°44'33" W 471.63 feet, more or less, to said west line; thence South 399.87 feet along said west line to the point of beginning.

Section 31: That portion of the following tract lying in the SE4SW4 and the SW4SE4 thereof:

Beginning in the west line of said Section 31 at a point approximately 610.82 feet north from the SW corner of said Section 31, said point of beginning is 243.09 feet south along said west line from the eastbound control line of said project at Engineer Station 2898+82,54; thence S 89°23'00" E 159.02 feet to a point 200 feet radially distant southerly from said eastbound control line at Engineer Station 2901+00; thence S 73°14'56" E 2106.46 feet to a point on a 11,659.156-foot radius curve to the left and 200 feet perpendicularly distant southerly from said eastbound control line at Engineer Station 2922+15.45; thence Easterly 3055.22 feet, more or less along the arc of said curve to the east line of said Section 6 (Note: Tangent to said curve at its point of beginning bears S 73°06' E); thence North (Hwy Bearing N 00°31'00" E) 200.06 feet along said east line to said eastbound control line; thence Westerly 2998.03 feet along the arc of a 0°31' curve to the right (Note: Tangent to said curve at its point of beginning bears N 88°05'25" W); thence N 73°06' W 1860.49 feet along said eastbound control line to a point of tangency with a 1°00' curve to the left at Engineer Station 2903+54.96; thence Westerly 472.42 feet, more or less, along the arc of said curve to said west line; thence South (Hwy bearing S 00°43'44" E) 241.96 feet to point of beginning.

Both above tracts comprise 11.98 acres in the SE4SW4 and SW4SE4 of said Section 31.

END OF EXHIBIT "A"

DOC # 00378428

Oil and Gas Leases and Agreement B: 0678 P: 1566

Jayrene B Nielsen Sevier County Recorder Page 5 of 5

03/12/2013 03:22:18 PMFee \$22.00By WOLVERINE GAS & OIL