

Entry No. 93064

LEASE

THIS LEASE, made and entered into this 17 day of February, 1961 by and between LEONARD CLARK AND EDITH C. CLARK, his wife First Party, whether one or more, hereinafter referred to as "Lessor", and MOUNTAIN FUEL SUPPLY COMPANY, a Utah corporation, with its principal place of business at 180 East First South Street, Salt Lake City, Utah, Second Party, hereinafter referred to as "Lessee".

WITNESSETH:

For and in consideration of Ten and ⁰⁰/₁₀₀ Dollars (\$10.00), and other good and valuable considerations paid by Lessee, the receipt of which is hereby acknowledged by Lessor, and of the mutual agreements and obligations hereinafter contained, and to be paid, kept and performed, Lessor does hereby grant, demise, lease, let and warrant unto Lessee the following-described land, situated in the County of Summit, State of Utah, to-wit:

T. 2 N., R. 5 E., S.L.M., Utah

Section 11, N $\frac{1}{2}$ NE $\frac{1}{4}$ EXCEPTING the following:
Beginning at a point which is South 0° 21' East 1216.64 feet and South 88° 24' East 7.0 feet from the North quarter corner of said Section 11; and running thence South 88° 24' East 410.0 feet; thence South 0° 21' East 103.96 feet; thence North 88° 24' West 419 feet; thence North 0° 21' West 103.96 feet to the place of beginning. Area 1.00 acre.

Total area in above least 79 acres, more or less

to have and to hold unto Lessee, its successors and assigns, for the term, at the rental, and for the uses and purposes, and subject to the conditions and stipulations hereinafter set forth.

It is hereby agreed by and between the parties hereto as follows:

1. The term of this lease shall be ten (10) years from the date hereof, and as long thereafter as the lands covered hereby, or any part thereof, are used or useful by Lessee in connection with underground storage of gas in the area.
2. The rent to be paid for this lease by Lessee to Lessor shall be Seventy Nine Dollars per year. It is specifically understood and agreed that the sum of Seventy Nine Dollars, the receipt of which is hereby acknowledged by Lessor, constitutes payment of rent for the first year, to-wit: from the date hereof to the 17 day of February, 1962, and that the rental payments by this section provided, constitute consideration for all rights and interests granted or necessarily implied by this instrument for which no other consideration is specifically stated.
3. All rental payments and payments or tenders made in connection with the terms hereof may be made by Lessee's check payable to First National Bank, at Coalville, Utah or its successors, to be deposited to the credit of Lessor, and a payment or tender by Lessee to said depository shall operate in all respects as if made to Lessor. If for any reason said depository, or any other depository hereinafter designated by Lessor, shall discontinue to do business, Lessor agrees to notify Lessee in writing of the appointment of a new depository to receive all such payments and tenders. Lessor expressly agrees that the designated depository or their successors, as the case may be, shall be Lessor's agent for the purpose of receiving and accepting such payment or tender.
4. It is understood between the parties that the above-described land is owned by Lessor subject to the mineral interest of Union Pacific Railroad Company
5. The lands covered hereby and other lands in the same general area, are to be used by Lessee in connection with the operation of an underground gas storage reservoir, and Lessor conveys and warrants unto Lessee, subject only to the mineral interest described in Section 4 above, the exclusive right and privilege to use the lands hereby leased for the following purposes, all as a part of and in connection with a project for the storage of gas to be conducted on and under the said land and lands adjacent thereto and in the vicinity thereof:
 - (a) to explore for, establish and operate a gas storage reservoir and project thereunder and thereon by the introduction and injection of natural gas or gaseous vapors in any geologic stratum or strata suitable for such a reservoir,
 - (b) to store gas in said reservoir and retain the possession of gas so stored as personal property, and in connection therewith, and with other exploratory operations incident thereto, the further right, privilege and easement to conduct geological and geophysical operations,
 - (c) to drill and install, maintain, renew, operate and remove, at locations selected by Lessee, such wells, pipelines, compressor facilities and other facilities, structures, equipment and appurtenances as Lessee may deem necessary or desirable.
 - (d) to recover, by whatever means are desirable or available, any gas lost from the storage reservoir by leakage,
 - (e) to remove all property placed on said land by Lessee, including well casing,
 - (f) to have the right of ingress and egress to and across said land at convenient points,
 - (g) to erect tanks, dams, water ponds, pumping stations, water lines, gas lines, electric power lines, pipelines, and such other buildings or structures as Lessee deems or may deem necessary or desirable.
6. In addition to the payments otherwise herein provided for, Lessee shall pay to the Lessor:
 - (a) for each storage or observation well, but not for withdrawal wells, drilled on said land and its appurtenances, a sum determined by applying the rate of Fifty Dollars for each 500 sq. feet of surface which Lessee determines to be necessary for its use with respect to the operations of such well after its completion, such well site so determined to be in the form of a rectangle in all instances,
 - (b) for each building installed by Lessee on the above-described land in connection with its gas storage project, the same rate as provided for a storage or observation well,
 - (c) for each linear rod of pipeline or electric power line laid or installed on or in the above-described land, and not located on an existing private roadway or public highway,

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50 cents,

Payments for wells, pipelines, power lines and surface installations shall be made promptly after the completion and installation, and such payments shall be single lump-sum payments covering the entire length of time such facilities remain upon the premises. Lessee shall have the right to fence all or any part of any such storage or observation well site and any buildings placed upon the above-described land in connection with this gas storage project. Lessee shall bury and maintain all pipelines through cultivated areas below plow depth.

In selecting the location for any of the above-mentioned storage or observation wells, Lessee shall not drill or place said well at a point closer than 300 feet from any existing residential dwelling on Lessor's property, unless Lessor agrees in writing to the location of such well at a lesser distance therefrom.

7. Lessee shall pay Lessor for all damages to planted and growing crops, timber and fences, occasioned by the installation, maintenance, removal or renewal of pipelines or other facilities hereunder by Lessee.

8. Lessee shall have the right to surrender this lease as to all or any part of the land covered hereby on any rental due date, by paying or tendering the sum of One Dollar to Lessor, or to the designated depository, not less than thirty (30) days prior to said rental due date, which payment or tender shall be accompanied by a written notice of such surrender.

9. It is agreed that Lessee's failure to pay or tender any rental due hereunder shall not work a forfeiture of this lease unless written notice of such default by certified mail is given to Lessee by Lessor, and unless Lessee fails to remedy such default within thirty (30) days after receipt of said notice.

10. Lessor warrants and agrees to defend the title to the lands herein described, except as to the mineral interest referred to in Section 4 above, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgage, taxes or other liens on the above-described lands in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof with respect to the sums so paid, and to deduct any sum so paid from the rental or other payments due or which may become due to Lessor under this lease.

11. This lease and all the terms and provisions thereof shall extend to and be binding upon Lessor, his heirs, executors, administrator, successors and assigns, and shall inure to the benefit of the Lessee, its successors and assigns.

IN WITNESS WHEREOF, this agreement which has been executed in any number of counterparts with the same force and effect as if all parties had signed the same document, is executed as of the day and date first hereinabove written.

WITNESS: G. A. Peppinger) Leonard Clark) Approved
) LEONARD CLARK) Form
 G. A. Peppinger (SEAL)) : Lessor D&D EK
) Edith C. Clark) Trans.
) EDITH C. CLARK)

ATTEST: C. R. Holland) MOUNTAIN FUEL SUPPLY COMPANY)
 Assistant Secretary) J. T. Simon) Lessee
) Vice President

STATE OF Utah ()
) ss
 County of Summit ()

On the 17 day of February, 1961, personally appeared before me Leonard Clark and Edith C. Clark, the signers of the above instrument and duly acknowledged that they executed the same.

My Commission Expires: (NOTARY SEAL) Ray B. Brown
 November 28, 1963 Notary Public

STATE OF Utah ()
) ss.
 County of Salt Lake ()

On the 17 day of Feb., 1961, personally appeared before me J. T. Simon, who being by me duly sworn did say that he is the Vice President of MOUNTAIN FUEL SUPPLY COMPANY, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and said J. T. Simon acknowledged to me that said corporation executed the same.

My Commission expires: (NOTARY SEAL) Richard M. Ball
 RICHARD M. BALL Notary Public
 Notary Public
 Residing at Salt Lake City, Utah
 My Commission Expires
 December 29, 1961

Recorded at the request of Mountain Fuel Supply Company, March 29, A.D. 1961 at 10:23 A.M.
 Wanda Y. Spriggs, County Recorder