

Producers 88 Rev. 5 Year Lease)
With 640 Acres Pooling Provision

(Five YEAR PAID UP LEASE)
OIL AND GAS LEASE

THIS AGREEMENT made this Fourth day of June 1980 between
Phoebe I. Ricketts

Lessor (whether one or more), whose address is: 457 South State Street, North Vernon, Indiana 47265
and Amoco Production Company

2. Lessor in consideration of Ten and no/100 Dollars
10.00 in hand paid, of the royalties herein provided and of the agreements of Lessor herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in
Eureka County, Nevada to-wit:

Township 27 North, Range 52 East M.D.M.

Section 8: N¹/₂ NE¹/₄

Section 9: SW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$

Section 15: S³ SE⁴

Section 22: N¹/₂ NE¹/₂

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything herein contained to the contrary, this lease shall be for a term of 5 years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee, are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil at its position, paying the market value of the oil at the time of purchase; (b) on gas, one-eighth of the gas actually being produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty gas at its position, paying the market value of the gas at the time of purchase; (c) on other valuable substances produced from said land, and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay as royalty, on or before ninety (90) days after the date on which said well is shut in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made, the royalty shall be computed after deducting any such payment from the royalty; (d) on water, one-eighth of the water actually being produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty water at its position, paying the market value of the water at the time of purchase; (e) on coal, one-eighth of the coal actually being produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty coal at its position, paying the market value of the coal at the time of purchase; (f) on other valuable substances produced from said land, and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the substance so sold or used, provided that on substances sold at the wells the royalty shall be one-eighth of the amount realized from such sale; while there is a well on this lease or on acreage pooled therewith but the substance is not being sold or used, Lessee may pay as royalty, on or before ninety (90) days after the date on which said well is shut in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made, the royalty shall be computed after deducting any such payment from the royalty; (g) on oil and gas, the royalty on oil and gas shall be computed after deducting any so used.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof as to oil and gas, or either of them, with other land, lease or leases in the immediate vicinity thereof to the extent, hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the applicable rules and regulations of the appropriate local governmental authority, or other lawful authority, or when it is deemed desirable in the interest of the most economical and efficient operation of the leased premises. Units pooled for gas hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease, or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined. The units so formed by pooling shall be designated by Lessee in an instrument in writing, and the rights of the Lessee hereunder to pool this lease or portions thereof into other units, Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit. Lessee may at its election exercise its pooling option after commencing operations for or completing an oil gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. Operations for drilling on or production of oil or gas from any part of the pooled unit which includes all or a portion of this lease, whether or not production of oil or gas from the leased premises has theretofore been commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease, and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. For the purpose of computing the royalties on production from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the pooled unit. Production from the pooled unit shall be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

5. If at the expiration of the primary term oil or gas is not being produced on said land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall nevertheless continue in full force and effect for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil or gas is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted, and so long thereafter as oil or gas is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the lease premises, or land pooled therewith, Lessee hereby agrees to shut such other well or wells as a reasonably prudent operator would shut under the same circumstances, and to release and release covering any portion or portions of the above described premises and thereby surrender the same as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of record-of instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice to show cause to the contrary in writing. In the event compliance with the obligations imposed by this lease is not shown, Lessor may, at its discretion, terminate this lease with the obligation imposed by this lease. In the event compliance with the obligations imposed by this lease is shown, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land either in whole or in part, and in event Lessor does so, it shall be subrogated to such first lien and the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of the foregoing, the warranty in event of failure of title is agreed that if a portion of the interest in the oil or gas in or under the land is lost, then the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately. Should any one or more of the parties named as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of government, Lessee shall be prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be deemed to have failed to comply therewith, and this obligation shall be deemed to have been fully and completely satisfied, if and only if Lessee is prevented from conducting drilling or reworking operations on or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

Phoebe L. Ricketts

Phoebe I. Ricketts

Lessor

Tax Identification Number

63,508-15

Tax Identification Number

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...and the fact that the system is not yet fully operational.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF INDIANA } ss.
County of Jennings

The foregoing instrument was acknowledged before me this 9th day of June, 19 80 by Cheryl L. Carter, Notary Public, 33 W. High Street, North Vernon, IN

My Commission expires 8/13/, 19 82 Cheryl L. Carter Notary Public
County of Residence: Jennings



INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____ } ss.
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____ by _____

My Commission expires _____, 19 _____ Notary Public

Producers 88 Rev. (5 Year Lease) (2-86)
With 640 Acres Pooling Provision

No. _____
**Oil and Gas
Lease**

FROM

TO

Dated _____, 19 _____

No. Acres _____

County, _____

Term _____

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 _____

By _____, Deputy

When recorded return to

When recorded return to

AMOCO PRODUCTION COMPANY

Amoco Building

Denver, Colorado 80202

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEBORD, RECORDER
FILE NO. 25158
FEE \$ 4.00

80 JUL 24 AM 1:04

RECORDED AT REQUEST OF
Amoco Production Co.
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