## 84163 OIL AND GAS LEASE

AGREEMENT, Made and entered into this 23rd day of March
FRANK PAXTON and FAMILY, a GENERAL PARTNERSHIP, consisting of
Franklin T. Paxton, also known as Taft Paxton; C. Tad Paxton;
Genevieve P. Rawson; and Frank Paxton.
Carlin, Nevada 89822
Party of the first part, hereinsiter called leaser (whether one or more) and
SOHIO PETROLEUM CORP., 633 17th St., Denver, Co. Party of the second part, hereinafter called leases.
WITNESSETH, That the said leason, for and in consideration of Ten and more (\$10.00)  DOLIARS cash in hand paid, receipt of which is bereby acknowledged and of the covenants and agreements hereinsfier contained on the part of leases to be paid, kept and performed, has granted, demised, leased, and let and by these presents does grant, demise, lease and let unto the said leasent its successions and assigns for the sale and only purposes of surreying by geological, geophysical and all other include, mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products.
all that certain tract of land, together with any reversionary rights therein, situate in the County of Eureka
State of Newada described as follows, to writ: (FOR DESCRIPTION OF LEASED LANDS SEE
EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF FOR
ALL PURPOSES)

1,681,90

It is agreed that this lease shall remain in force for a term of Ten (10) or either of them, is produced from said lend by the lessee, its successors and assigns. years from date, and as long thereafter as oil or gas,

In consideration of the premises the said lessee covenants and agrees:

First. The 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-cighth part of all oil produced and saved from the lessed premises, or, at lessee's option, may buy or sell such one-eighth royalty and pay lesser the market price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipe lines or into storage tanks.

Second. To pay leasor one eighth (1/2) of the proceeds received for gas sold from each well where gas only is found, or the market value at the well of such gas used off the premises, and lessor to have gas free of cost from any well for all stoves and all inside lights in the principal dwelling house on such land during the same time by making his own connections with the well at his own risk and expense.

Third. To pay lessor one-eighth (1/5) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas.

If no well be commenced on said land on or before the 23rd day of March , 19.83, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the Bank at Beaver, Utah 84713 First Interstate Bank of Utah

or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of the said land, the sum of \*\*\*\*\*One thousand six hundred eighty-one and 90/100\*\*\*\*\*\*

DOLLARS,

which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be jurther deferred for like periods of the same number of months successively. 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 first rental is payable as aforesaid, but also the lessee's option of extending this period as aforesaid, and any and all other rights conferred. Rentale may be paid by check or dreft and may be remitted by mail. Mailing of rental on or before the rental-paying date shall be deemed a timely tender thereof and shall preclude termination of this lease. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such person.

rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such person.

Should any well drilled on the land above described be a dry hole or case to produce and there are no other producing well or wells on the land or drilling operations are not being conducted thereon, then and in that event if a well is not commenced before the next ensuing rental paying date after the expiration of ninety (90) days from the date of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the leases, on or before the rental-paying date next ensuing after the expiration of ninety (90) days from the date of the completion of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as herinheldere provided, and it is agreed upon resumption of the payment of rentals, as above provided, the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production effect thereof, shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production effect thereof, shall continue in force and the primary term. If a dry hole should be drilled or if production a production and this lease shall necess from any cause, this lease shall necess from any cause, this lease shall necess from any cause, this lease shall necess the production continues.

If any time, either before or after the expiration of the orimary term of this lease, there is any cas well on the lands coursed banker.

results therefrom, then as long thereafter as such production continues.

If at any time, either before or after the expiration of the primary term of this lease, there is any gas well on the lands covered hereby, or on other lands with which said lands are pooled or unitized, which is capable of production in paying quantities, but which is shut in either before or after production therefrom, and the production therefrom is not being sold or used, leasee agrees to pay or tender to the mineral owners in the deposition and the lease, as royalty, a sum equal to the amount of delay rentals payable under this lease. Such payments shall be made on or before the shut-in royalty payment date, as herein defined, next accruing after the expiration of ninety (90) days from the date the well was shut-in, unless prior to such date gas from the well is produced and sold or used. In like manner, or or before each succeeding shut-in royalty payment date while such gas well remains shut-in, leasee shall make payment of shut-in gas royalty in the same amount and manner. A shut-in gas well capable of producing in paying quantities shall be considered under all provisions of this lease as a producing well and this lease shall be in force and effect in like manner, as though the gas therefrom were actually being produced and sold or used. The term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance, and wells classified as gas wells by any governmental authority. The term "shut-in royalty payment date" shall mean any rental-paying date of this lease if within the primary term, or any subsequent anniversary thereof, if after the primary term, or any anniversary date of this lease in the above described lead show the extinct and malicidad for the lease in the paying date is specified herein.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the toyalties and rentals bestein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells and reservoirs of lessor. 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.

Lessee shall pay for damages caused by its operations on said lands. When requested by the lessor, lessee shall bury his pipe lines below plaw. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall have the right to drill to completion with reasonable diligence and dispatch (1) any well commenced within the term of this lesse and (2) any well commenced before the completion of a well which has been commenced within such term. If oil and gas or either of them be found in paying quantities in any such well, this lesse shall continue and be in force with like effect as if such well had been completed within the term of years herein first mentioned.

Lessee is hereby granted the right and power to pool or combine the acreage covered by this lease, or any portion thereof, with other land, lesse or leases in the vicinity thereof as any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in sure the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well, or 40 acres each for the production of oil, or 640 acres each for the production of oil, or 640 acres each for the production of oil or 640 acres each for the production of oil or 640 acres each for the production of oil or 640 acres for the production of gas, whichever is the larger, plus a tolerance over the maximum area of 40 acres for the production of oil or 640 acres for the production of gas, whichever is the larger, plus a tolerance over the maximum area of 40 acres for the production of oil or 640 acres for the production of gas to include additional acreage in any irregular governmental subdivision or lot or portion thereof. Such pooling shall be effected by Lessee's excepting and filing in the office where this lease is recorded an instrument identifying and describing the pooled acreage. The production of pooled substances and development and operation on any portion of a unit to pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on the leased premises under the terms of this lease. The royalties berein provided shall accrue and be paid to Lessor on pooled substances produced from any unit is the proportion, but only in the proportion, that Lessor's acreage int

If the eatate 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 beins, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee of such part or parts after a fall or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rentals. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations betreunders.

Compliance with any now or hereafter existing set, bill or statute purporting to be enacted by any Federal or State legislative authority, of with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute; shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, forfeiture, reversion or revesting of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the hasis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lease or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith. Lessee may at any time surrender this lease, in whole or in part, by delivering or mailing a release to the lessor, or by placing a release of record in the proper county. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

Lessor bereby releases and relinquishes any right of homestead, dower or curtery they or either of them may have in or to the leased land. Lessor bereby warrants and agrees to defend the title to the lands berein described, 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 subregated to the rights of the holder thereof. This lease and all its terms, conditions and stipulations binds each executing leasor and shall extend to and be binding on his assigns, betra and derisees and successors, and those of the leasee, though unsigned by other leasors named herein. Lever IN WITNESS WHEREOF, We sign the day and year first above written. (SEAL) Frank Paxton, ndividually [AL) Genevieve P. Rawson, individually and \_(SEAL) as a partner of Frank Paxton and as a partner of Frank Paxton(SEAL) (SEAL) and Family and Family (SEAL) Arizona, Colorado, Idaho, Kansas, Montana Nebraska, Newda, New Mexico, North Dakota, South Dakota, Utah, Wyoming ACKNOWLEDGMENT — INDIVIDUAL STATE OF Nevada COUNTY OF ELEO 23 td duy of , to me known to be the identical person. described in and who executed the within and foregoing instrument of writing and acknowledged to me that he executed the same as his me that free and voluntary act and deed for the uses and purposes therein set forth. beceunts set my hand and affixed my notarial seal the day and year last above written.

BARBARA J. MAPLE

Barbara 9 Maple IN WITNESS WHEREOF BARBARA-J-MAPLE My Commission Expires Notary Public Notery Public Stone of Nevada Arizons, Colorado, Idabo, Kansas, Montana braska, Nevade, New Mexico, North Dakots, South Dakots, Utah, Wyoming ACKNOWLEDGMENT—INDIVIDUAL Eleo County, Neverta N My upphisment expires April 14, 1985 Utah STATE OF. BEFORE ME, the undersigned, a Notary Public, in and for said County and Stale, on this March Genevieve P. Rawson to me known to be the identical person she that the ribed in any pho executed the within and foregoing instrument of writing and acknowledged to me that. She become the meand voluntary act and deed for the uses and purposes therein set forth.

IN WINES WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written. Notary Public STATE W den LINDO ĭ. 1 Recorded instrument ç 윾 recorded GAS 급 Ē Clerk-Registor record 8 LEASE ዾ Deputy. Arizona, New Mexico, Utab, Wyoming ACKNOWLEDGMENT — CORPORATION STATE OF 55. COUNTY OF. \_\_\_, before me appeared\_ On this. \_day of , to me personally known, who, being by me duly sworn, did say that he is ...... and that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of acknowledged said instrument to be the free Directors: and said act and deed of said corporation. WITNESS my band and official seal the day and year last above written. My Commission Expires

2.11.13

Notary Public

EXHIBIT "A" to OIL AND GAS LEASE and RATIFICATION AND RENTAL DIVISION ORDER

DATED: MARCH 23, 1982

FROM: FRANK PAXTON AND FAMILY, a GENERAL PARTNERSHIP, consisting of Franklin T. Paxton, also known as Taft Paxton; C. Tad Paxton; Genevieve P. Rawson; and Frank Paxton, LESSOR

TO: SOHIO PETROLEUM CORPORATION, LESSEE

Township 25 North, Range 51 East, Mount Diable Meridan Sec. 6: Lots 3(40.99), 4(34.95), 5(33.76), 6(33.46), 7(33.17), SELNWL, ELSWL DESCRIPTION:

Sec. 7: Eznw

Township 26 North, Range 51 East, Mount Diablo Meridan Sec. 6: Lots 3(40.30), 4(38.27), 5(38.36), 6(38.54), 7(38.71), SE\(\frac{1}{2}\)NW\(\frac{1}{4}\), E\(\frac{1}{2}\)SW\(\frac{1}{4}\)

Sec. 7: Lots 1(38.84), 2(38.93), 3(39.03), 4(39.12)

Sec. 18: Lots 1(39.19), 2(39.25), 3(39.31), 4(39.37)

Sec. 19: Lots 1(39.44), 2(39.53), 3(39.63), 4(39.72)

Sec. 30: Lots 1(39.82), 2(39.94), 3(40.06), 4(40.18), \(\frac{1}{2}\)SW\(\frac{1}{2}\)SW\(\frac{1}{2}\)SW\(\frac{1}{2}\)SW\(\frac{1}{2}\)SW\(\frac{1}{2}\)SW\(\frac{1}{2}\)SW\(\frac{1}{2}\)SEC. 30: Lots 1(39.82), 2(39.94), 3(40.06), 4(40.18), E2SW1

Sec. 31: NW1NE1, E1W2, Lot 4(40.03), SW1SE1 Containing 1,681.90 acres, more or less All in Eureka County, Nevada

IT IS THE INTENT OF THE LESSOR AND LESSEE HEREIN THAT THE LEASED LANDS INCLUDE ALL OIL AND GAS RIGHTS AND RIGHTS OF INGRESS AND EGRESS THAT THE LESSOR MAY NOW, OR IN THE FUTURE, HAVE IN ROADWAYS, RIGHTS OF WAY, AND EASEMENTS OF ALL KINDS, CONTIGUOUS AND APPURTENANT TO ABOVE LANDS.

SIGNED FOR IDENTIFICATION

RECORDED AT REQUEST OF Sohie Petroleum C BOOK 102 PAGE 203

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OFFICIAL RECORDS EUREKA COUNTY. NEVAD FILE 12 54 63 TEE \$ 6.00