## 129+17 11

(MESS)

| Producers 88-1959  | OIL AND GAS  | S LEASE   | Hillings Hise P<br>Billings, Montan   |              |
|--|--|---|---|--------------|
| THIS AGREEMENT, made and entered into this 30  | th day of  | June  | , 19 80 by and between  |              |
| Richard M. Wardell and Linda J.  | , of   | Route #2.   | Blair, Nebraska 68008   |              |
| bereinafter called lessor (whether one or more) and LOCI   |  |   |   |              |
| 1. WITNESSETH: That the lessor, for and in consideration of and in the covenants and agreements hereinafter contained of and by these presents does great, densise, lease and let exclus methods and operating for end producing thereform oil and need hearding employees, huilding tanks, power stations, gave aid products and the exclusive suitage and submittings lightly and privileges necessary, incident to, or convenient for the tract or tracts of land situated in the County of | of \$10,00 and not the less of the less of whatsover all gas of whatsover alms, pends, read privileges related economical operation. | OTO cash is see to be paid, he wish the exclusive nature or kind, and struct in any manner to alone or emplointly | n hand path, receipt of whith is hearly acknowled pt and performed, has granted, demised, leased and e tight of mining, explaints by scophydical and the lawing pipe, lines, telephone and, telagraph lines, better the many and all mech operations and any and all their remaining land for ruch purpose. The law with neighboring land for ruch purpose. | ight<br>rtai |

ភ Township 18 North, Range 11 East | Section | 3: | Tax Lot 60 in the SE\$\frac{1}{4}\SE \frac{1}{4}\SE \frac{1}{4}\S 1.5 (A)

and containing 49,60

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

(a) To deliver to the credit of lestor, free of cost in the pipe line to which lessee may connect his wells, the equal one-eighth part of all oil produced and saved from the lessed premises, or at the lessee's uplion, may pay to the lessor for such one-eighth royalty, the market price for oil oil like gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

(b) To pay Jestor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of products therefrom. Where gas from therefrom, one-eighth, at the market price at the well for the just sold, used off the premises, or in the manufacture of products therefrom. Where gas from a well producing gas only the samity of the samity of

lease.

4. If operations for the drilling of a well for nil or gas are not commenced or if there is no oil or gas being produced on said land or no acronge pooled therewith as bereimfere provided on or before one year from the dute hereof, this lease shall terminate as to both parties, unless the leave on or before therewith as bereimfere provided on or before one year from the dute hereof, this lease shall terminate as to both parties, unless the leave on or before

1 which shall operate as a rental and cover the privilege of deterning the commencement of operations for desiling of a well only the commencement of operations are desiling of a well may be further the communication of the same number of months successively. All payments or tenders may be made by check of dust of lesses or any assignee thereof, and the periods of the same number of months successively. All payments or tenders may be made by check of dust of lesses or any assignee thereof, and agreed that one operations of the construction of the constitution of the constitution

said all other rights conferred. Should the depository bank hereafter close without a nuccessor, lesses or its assigns may deposit rental or royalties in any National bank located in the same county with the lists named bank, due notice of such deposit to be mailed to lessor at last known address.

Lesses, at its option, is hereby given the right and power at any time an from time to time as a recurring right, either before or after production, as in all or any act of the land described herein and as to any one or more of the formations hereunder, to pond or unitize the lessehold estate and as a location of the land described herein and as to any one or more of the formations hereunder, to pond or unitize the lessehold estate and the production of either, when in lessee's judgment it is necessary or advisable to do so, and trespective of whether authorized any gas, many be reformed the production of either, when in lessee's judgment it is necessary or advisable to do so, and trespective of whether authorized any gas, many be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be any unit may include farm gas, many be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be any unit may include fand upon which a well has therefore been completed or upon which operations for dividing for been commenced. Production, diffiling or reworking operations or a well-fore been completed or upon which operations for dividing for the production of any unit may include any unit may include any unit may include any unit may include any unit any unit may include any unit was a finite season to the production of any unit when the production of the unit proportion of the unit proportion of the unit production that lesses. In like the same production allocated to the unit because the same production of any production allocated to the unit bears in the total number of surface acress overed by this entities, point or combine allocated to the unit bear

Lessee may, at any time, release this lease as to any stratum or strata and as to part or all of the lands above described, after which all payments and liabilities thereafter to accour, as to the lands released, shall cease and determine. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

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

twoirs, or wells of lexiot.

When requested by the lessor, Irasee shall bury its pipe lines on cultivated portions below plow depth.

No well shall be drilled nearer than 200 feet to the house or harn now on said promises, without the written consent of the lassor.

Lessee shall pay for damager caused by his operation to growing crops on said lands.

Lesses 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 have the right at any time to remove all machinesy and fixtures placed on said premises, including the right to draw and semove casing.

8. If the estate of either party hereto is assigned, and the privilege of assigning his whole or in part is expressly allowed, although it is agreed that no change or division in powership of the land, sentals or rayalities, showever accomplished, shall upset to enlarge the obligations or divisions in the rest of the estate of the state of such part or parts thall rail or make detailt in our parts of such part or parts thall rail or make detailt in our parts of such part or parts thall rail or make detailt in our parts of said lesses of the state of t

Lessor hereby warrants and agrees to defend the title in the lands beerin described, and agrees that the lesses shall have the right at any time to pay for nor, any mortgage, faxes or other liens on the above-described lands in the exect of default of payment by lessor, and be subregated to the rights of hidder thereof, and lessor hereby agrees that any such payments made by the lessor may be deducted from any amounts of money which y thecome due the lessor under the term of this lessor.

necome due necessor whose one terms of this leave.

If said lesset owns a less interest in the above-described land than the enths and undivided fee simple estate therein, then the royalties and rentals in provided shall be paid the lesser only in proportion which his interest bears to the whole and undivided fee. Any interest in the production from the sterior described to which like interest of lesser may be subject shall be deducted from the reyalty herein reserved.

| status of lesur nor an error in the payment of any sum of a status of lesur nor an error in the payment of any sum of a gainst lesver. All of lessee's obligations and covernants here with any thereof is prevented or hindered by or is in conflicted in the status of the | so upon the last known address money due or payable to lesson money, the compayable to lesson moder, whether express or implied to with Federal, State, County, or Act of God, adverse field, its, rints, or other conditions or inble in damages for failure to y of the foregoing eventualities. Of this lease, under the controlled in the suspended by auspension, lesser shall pay an terest in the show-described it verticaless be binding upon the 17s, mocessors, and essigns, here same may in any way affect this instrument as of the day a |  |
|--|---|--|
| s.s. #   | - 'R  | tchard W. Wardell  |
|  |   | inda J. Wardell  |
| ,  | ACKNOWLEDGME  | NTS  |
| • • •  |   |  |
| STATE OF Nebraska  |   | INDIVIDUAL, North Dakota, South Dakota, Nebraska   |
| COUNTY OF Washington Jun   |   | 19 , before me, personally appeared  |
| ,  |   | wn to be the personS. described in and who executed the foregoing  |
| instrument, and acknowledged to me thatthey  |   |  |
| STATE OF   | \   | The second secon |
| COUNTY OF  |   | INDIVIDUAL, North Dakota, South Dakota, Nebraska   |
| On thisday of  |   | 19 before me, personally appenred  |
|  |   | wn to be the persondescribed in and who executed the foregoing   |
| Instrument, and acknowledged to me that  | executed the same as  | free act and deed.   |
|  |   | lotary Public.   |
|  |   | 1  |
| Oil and Gas Lease FROM   | Dated, 19 No. Acres   | This instrument was filled for record on the Lay of Clear L. 19. L. a.  A o'clock M., and duly recorded in Book CAS M., and duly recorded in Book CAS M., and duly recorded in Book CAS Meisser of Deeds.  Reject of Clear Contract Meisser of Deeds.  Numerical Meisser of Deeds.  Numerical Meisser of Deeds.  Numerical Meisser of Deeds.   |
| STATE OF   | } ss.   | CORPORATE, North Dakota, South Dakota, Nebriska  |
|  |   | n the year   |
| known to me to be the  |   | ion that is described in and that executed the within instrument and   |
| acknowledged to me that such Corporation executed the s<br>My commission expires:  |   | Notary Public.   |