

Form 88 - (Producers)  
NEBRASKA

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OIL AND GAS LEASE

ANSAS BLUE PRINT CO.

Commingled AGREEMENT Made and entered into this 31st day of December, 1958, by and between Tom Wilkinson and Claira N. Wilkinson, his wife

Part of the first part, hereinafter called lessor (whether one or more) and Roy M. Johnson, Donald W. Slattery, Paul J. Housa, Paul Howell Part lessor the second part, hereinafter called lessee

WITNESSETH that the said lessor for and in consideration of One (\$1.00) and no/100 DOLLARS cash in hand paid receipt of which is hereby acknowledged; and of the covenants and agreements hereinafter contained on the part of lessee to be here kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of 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 situated in the County of Hamilton State of NEBRASKA described as follows, to-wit: The Southwest Quarter (SW 1/4) of Section Six (6), Township Seventeen (17), Range Twelve (12), East one (1) East Half of the Southwest Quarter (SW 1/4) and the South East or East (SE 1/4) of Section One (1), Township Seventeen (17), Range Eleven (11), East

of Section Township Range and containing 400 acres more or less.

It is agreed that this lease shall remain in full force for a term of five years from this date and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee. In consideration of the premises the said lessor covenants and agrees: That he will develop in the vicinity of lessor, free or cost, in the pipe line to which lessee may connect his wells, the equal one eighth (1/8) part of all oil produced and saved from the leased premises; and, to pay lessor for gas from each well where gas only is found the equal one eighth (1/8) of the gross proceeds at the prevailing market rate, for all gas used on the premises, said payments to be made monthly and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense; and, to pay lessor for gas produced from any oil well and used on the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the market value at the mouth of the well, payable monthly at the prevailing market price.

If no well be commenced on said land on or before the 31 day of December, 1959, 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 Byron Road Cemetery, Ind. Knox, Okla., U.S.A. the sum of (\$160.00)

Four hundred and no/100 DOLLARS, when shall operate as a rental and cover the privilege of developing the commencement of a well for five months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. All such payments or tenders of rentals may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assignee or to said depository bank. 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 that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months, shall commence the payment of rentals in the same amount and in the same manner as hereinafter provided. And it is agreed that when the resumption of the payment of rentals, as above provided, shall be necessary hereafter, the payment of rentals and the effect thereof shall continue in full force and effect as though there had been no interruption in the rental payments.

It is further agreed that if at any time hereafter it should be determined that the above described land shall be divided into separate and undivided fee simple estate therein, then the rights and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

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 wells of lessor. When requested by lessor, lessee shall bury his pipe lines in low flow months.

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 pay for damages caused by its operations to growing crops on said land.

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.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch and if oil or gas, or either of them, be found in pay in quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein provided.

If the land or 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 heirs, 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 of a true copy thereof, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rent due from him or them on an acreage basis, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands, and such assignee or assignees shall operate to defeat or affect this lease in so far as it covers a part or parts of said lands, and such assignee or assignees shall be liable therefor shall make due payments of said rentals. If the leased premises are owned hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as one unit, and the royalties shall be paid to each separate owner in the proportion that the acreage covered by him bears to the entire leased area. There shall be no obligation on the part of the lessee to construct wells on separate tracts, and the lessee may, in its discretion, produce oil and gas from such separate tracts, or devise or combine wells or to run separate machinery or receiving tanks for the oil produced from such separate tracts.

Lessor hereby warrants and agrees to defend the title to the land herein described, and agrees that the lessee shall have the right at any time to release the lessor by payment of any mortgage, taxes or other liens on the above described land, in the event of default of payments by lessor, and be subrogated to the rights of the holder thereof.

Signed, sealed and delivered in presence of (SEAL) (SEAL) (SEAL) (SEAL) (SEAL) (SEAL) (SEAL)