

RESOLUTION
#2016-06-13A

**A RESOLUTION APPROVING SALE OF OIL AND GAS LEASE
AND AUTHORIZING EXECUTION AND DELIVERY OF LEASE**

WHEREAS, heretofore on the 13th day of June, 2016, the Board of County Commissioners of Custer County, Oklahoma, duly adopted Resolution #2016-05-23B authorizing the Board of County Commissioners of Custer County, Oklahoma, to advertise and sell an oil and gas lease upon the following described tract of land, to-wit:

Section One (1), Township Fourteen North (14N), Range Fourteen West (14W)
Custer County, Oklahoma

Tract 1: A Strip of land 23 feet wide and .5 mile long situated on the West side of the NE/4 of Section 1-14N-14W, and one strip of land 16.5 feet wide and .5 mile long situated on the South side of Section 1-14N-14W – 2.394 acres

Tract 2: A Strip of land 10 feet wide and .5 mile long situated on the East side of the NW/4 of Section 1-14N-14W – 0.61 acres

Tract 3: One strip of land 16.5 feet wide and .5 mile long situated on the North Side of the SE/4 of Sec 1-14N-14W – 1.00 acres.

by sealed bid for a primary term of three (3) years, a minimum of \$300.00 per acre and so long thereafter as oil or gas or either of them is produced from said premises, and providing that such lease would be sold to the highest and best bidder for cash bonus, with the bidder being required to pay all expenses of said sale including the cost of publication of the Notice of Sale, said lease being subject to the following special provisions:

- (a) The oil and gas lease shall be a paid-up oil and gas lease requiring no payment of delay rentals;
- (b) The oil and gas lease shall provide for a 3/16th royalty;
- (c) The lease shall provide that no well locations or other installations shall be made upon said premises which would in any way interfere with the present use of said property by the Board of County Commissioners of Custer County;
- (d) The lease shall provide that said land may be developed by unitization and consolidation with other acreage, said royalty to be paid on production from any land on which land is or may be unitized or consolidated in the proportion that the area of the land covered by this lease bears to the total area of said consolidated or unitized tract;
- (e) The lease shall provide that production from presently producing wells on land with which this property has been or may hereafter be unitized or consolidated shall be regarded as a well drilled under the terms of this lease;
- (f) That the Board of County Commissioners of Custer County, Oklahoma, will not warrant or defend the title to the above tract of land.

AND WHEREAS, pursuant to such Resolution, the Board of County Commissioners of Custer County, Oklahoma, duly proceeded to and did advertise such oil and gas lease for sale by sealed bid in accordance with the terms of said Resolution, and thereafter on the 13th day of June, 2016, and at the time and place specified in said Notice of Sale, did sell an oil and gas lease upon said property by sealed bid to Continental Resources Inc. for a cash bonus consideration of \$ 1,750.00 per acre.

AND WHEREAS, it is proposed that an oil and gas lease conforming in terms to the copy of the oil and gas lease marked "Exhibit 1", which is attached and made a part hereof, be executed and delivered to the said successful bidder.

AND WHEREAS, it further appears that the sale of the said oil and gas lease was duly held and conducted in all things as required by law and in accordance with the terms of the Resolution authorizing said sale, and after due and lawful Notice of Sale; that the said consideration bid for the said lease is the highest and best cash sum bid and that a higher sum therefore cannot be obtained; and that the sale of the oil and gas lease to the purchaser aforesaid, at and for the consideration aforesaid is for the best interest of the Board of County Commissioners of Custer County, Oklahoma, and should in all things be approved and confirmed, and that the Board of County Commissioners of Custer County, Oklahoma, should further be authorized and directed to execute and deliver to the said purchaser, upon payment of the cash bonus consideration bid therefore and the expenses of the sale, and oil and gas lease conforming in terms to the copy of the oil and gas lease marked "Exhibit 1" and attached hereto;

NOW THEREFORE, be it resolved by the duly constituted Board of County Commissioners of Custer County, Oklahoma, in lawful session, that the sale of an oil and gas lease upon the above described premises to Continental Resources Inc. upon the terms and for the consideration as set forth above, be, and the same is hereby in all things approved and confirmed; and that the duly constituted Board of County Commissioners of Custer County, Oklahoma, be and hereby are, further authorized and directed to execute, acknowledge and deliver to Continental Resources Inc., the said purchaser, an oil and gas lease upon the above described premises, conforming in terms to the copy of the oil and gas lease marked "Exhibit 1", attached hereto, upon payment of said cash bonus consideration and expenses of the sale.

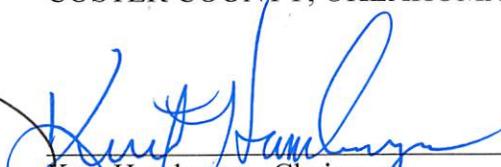
ADOPTED by the Board of County Commissioners of Custer County, Oklahoma, this 13th day of June, 2016.

BOARD OF COUNTY COMMISSIONERS
CUSTER COUNTY, OKLAHOMA

ATTEST:



Karen Fry, County Clerk



Kurt Hamburger, Chairman

Deputy



Lyle K. Miller, Member

(SEAL)





Wade Anders, Member