

WHEN RECORDED IN
GULF OIL CORPORATION
ATTN: LAND RECORDS
1700 SO. BELLAIRE
DENVER, COLORADO 80222

94235

Vol. 74 Page 13940

LEASE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THIS LEASE AND AGREEMENT made this 6th day of October, 1971, by and between Leland L. Cheyne and Bonita H. Cheyne, husband and wife, as "Lessor" and Gulf Oil Corporation, a Pennsylvania corporation as "Lessee."

WITNESSETH:

THAT FOR THE TERM and upon the terms and conditions set forth in a certain written Lease and Agreement dated the 6th day of October, 1971, all of which terms and conditions are hereby made a part hereof as fully and as completely as if herein specifically set out in full, Lessor has, and does hereby lease, let and demise unto Lessee for the development of natural steam and steam power and for use as such, or for conversion into electrical power or for processing to obtain by-products therefrom, the real property set forth in Exhibit "A" attached hereto and made a part hereof for all purposes. Such lease is for a term of 10 years from and after the date hereof (subject to termination as therein provided) and so long thereafter as there is commercial production of steam, electrical power or any by-product from the condensates of steam, derived or produced from the property leased hereunder and for so long, as well, as Lessee is prevented from producing same, or the obligations of Lessee thereunder are suspended for the causes as set forth in said written Lease and Agreement.

LESSOR

LESSEE

Leland L. Cheyne
Bonita H. Cheyne

GULF OIL CORPORATION

By James W. Earley
Attorney-in-Fact
JAMES W. EARLEY

EXHIBIT "A"
DESCRIPTION OF PROPERTY

STATE OF OREGON
County of Klamath

T 40S/ R 10E W.M.

Section 30: S $\frac{1}{2}$ NE $\frac{1}{4}$
SE $\frac{1}{4}$

Section 31: N $\frac{1}{2}$ NE $\frac{1}{4}$

Section 32: E $\frac{1}{2}$ SW $\frac{1}{4}$

T 41S/ R 10E W.M.

Section 5: SE $\frac{1}{4}$
E $\frac{1}{2}$ W $\frac{1}{2}$

Section 8: W $\frac{1}{2}$ NE $\frac{1}{4}$
E $\frac{1}{2}$ NW $\frac{1}{4}$

All that portion of the SE $\frac{1}{4}$ of Sec. 23 and the NW $\frac{1}{4}$ of Sec. 29, T. 40 S., R. 10 E., W. 4. described as follows:

A strip of land for irrigation ditch purposes 30 feet wide, 15 feet on each side of a line heretofore staked out across the said land and located as follows: Beginning at a point in the westerly line of the right of way of the Government Canal at the Cheyne farmhouse, or now constructed and bearing approximately North 40 degrees and 33 minutes East, 1,377 feet from the south-east corner of Sec. 29, T. 40 S., R. 10 E., W. 4.; thence along the outfall pipe S. 45° W., 100 feet; thence along a meandering falling grade contour roughly delineated by the following courses: S. 75° W., 200 feet; thence N. 65° W., 250 feet; thence S. 60° E., 300 feet; thence S. 10° 30' W., 550 feet; thence S. 75° 40' W., 1,000 feet; thence S. 30° 20' W., 500 feet; thence S. 60° W., 47 feet more or less to the south-east corner of the NW $\frac{1}{4}$ of the said Section 29; and containing in all 2.17 acres of land, more or less.

3-04529-00