

## OIL AND GAS LEASE

THIS LEASE AGREEMENT, Made and entered into the 8th day of December, 2016, by and between  
Cheri A. Jessen, a/k/a Cheri A. Johnson, a single woman  
103 Linton Ave., Mandan, ND 58554

Party of the first part, hereinafter called Lessor (whether one or more), and  
CONTINENTAL RESOURCES, INC., P.O. Box 269007, Oklahoma City, OK 73126  
party of the second part, hereinafter called Lessee, to-wit:

1. For and in consideration of TEN & MORE DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines for the transportation of both native and non-native oil, gas, and produced water, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Burke, State of North Dakota, described as follows, to-wit:

Township 161 North, Range 94 West of the 5th P.M.  
Section 12: NE¼

containing 160.00 acres, more or less (the "leased premises").

It is the intent to lease all of Lessor's interest in the leased premises, and this lease and the term "leased premises" also covers and includes all land owned or claimed by Lessor adjoining, adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above and all accretion or avulsion attaching to and forming a part of said land are included herein, whether properly or specifically described or not.

2. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage spaced, pooled, or unitized therewith, or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. This is a PAID-UP LEASE. In consideration of the cash down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

4. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal One-Sixth (1/6th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor One-Sixth (1/6th) of the gross proceeds each year, payable monthly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of One-Sixth (1/6th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of One-Sixth (1/6th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

5. When neither oil nor gas is being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises or lands spaced, pooled, or unitized therewith sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder at the time such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the Lessor or to Lessor's credit in the depository designated below. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of this lease.



6. All payments or tenders hereunder may be made in currency, or by check or draft and such payments or tenders to Lessor or to the depository designated by Lessor by deposit in the U.S. Mails in a stamped envelope addressed to the depository designated by Lessor or to the Lessor at the last known address shall constitute proper payment. If the depository designated by Lessor should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

7. If at any time (whether before or after the expiration of the primary or extended term hereof) Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on or into the leased premises or lands spaced, pooled, or unitized therewith, or if at any time (whether before or after the expiration of the primary or extended term hereof) all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of this Paragraph 7 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for the drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands spaced, pooled, or unitized therewith within one hundred twenty (120) days after completion of operations on such dry hole or within one hundred twenty (120) days after cessation of all production. If after the expiration of the primary term or any time thereafter, this lease is not otherwise being maintained in force but Lessee is engaged in operations for the drilling, testing or reworking of any well on or into the lands covered by this lease or on lands spaced, pooled, or unitized therewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than one hundred twenty (120) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized therewith. Notwithstanding anything contained herein to the contrary, in the event Lessee conducts drilling operations for a horizontal well on a location outside the leased premises, such operations shall be deemed to have been conducted on the leased premises, provided the wellbore penetrates beneath the surface of the leased premises or lands spaced, pooled, or unitized therewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed or permitted by the North Dakota Commission or other governmental authority having jurisdiction over Lessee's operations would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of one hundred twenty (120) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on or into that part of the land covered hereby which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced. Notwithstanding anything contained herein to the contrary, a well drilled on the leased premises or lands spaced, pooled, or unitized therewith to a total depth and cased shall be deemed capable of producing oil and/or gas in paying quantities, regardless of the fact such well has not been perforated, fractured or otherwise completed or equipped and will be effective for all purposes necessary to maintain this lease under any other paragraphs or provisions hereof.

8. If said Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

9. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands spaced, pooled, or unitized therewith, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, pipelines, tanks, water wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or pond. In exploring, developing, producing or marketing from the leased premises or lands spaced, pooled, or unitized therewith, the ancillary rights granted herein shall apply to the entire leased premises described in Paragraph 1 above. Lessor further grants, sells, conveys and warrants to Lessee a subsurface right-of-way and easement in, through and under the leased premises for the purpose of drilling oil and/or gas wells to, and producing through said wells oil, gas or other minerals, from, lands other than the leased premises, together with the right of ingress and egress to said wells. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than five hundred (500) feet from any house or barn on the leased premises or other lands of Lessor used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises, or such other lands, and to commercial timber and growing crops thereon. Lessor shall not locate any structure within two hundred (200) feet of Lessee's then existing well(s) and/or equipment located on the leased premises. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

10. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.



11. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

12. All express or implied covenants of this lease shall be subject to all federal and state laws, executive orders, rules or regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

**14. NO LITIGATION SHALL BE INITIATED BY LESSOR FOR DAMAGES, FORFEITURE OR CANCELLATION WITH RESPECT TO ANY ALLEGED BREACH OR DEFAULT BY LESSEE HEREUNDER, FOR A PERIOD OF AT LEAST NINETY (90) DAYS AFTER LESSOR HAS GIVEN LESSEE WRITTEN NOTICE FULLY DESCRIBING THE BREACH OR DEFAULT, AND THEN ONLY IF LESSEE FAILS TO REMEDY THE BREACH OR DEFAULT WITHIN SUCH PERIOD. IN THE EVENT A MATTER IS LITIGATED, SUCH LITIGATION SHALL BE TO THE COURT, LESSOR WAIVING ITS RIGHT TO A JURY. FURTHER, IN THE EVENT A FINAL JUDICIAL DETERMINATION IS MADE THAT A BREACH OR DEFAULT HAS OCCURRED, THIS LEASE SHALL NOT BE FORFEITED OR CANCELLED IN WHOLE OR IN PART UNLESS LESSEE FAILS TO COMMENCE TO REMEDY THE BREACH OR DEFAULT AFTER A REASONABLE TIME AFTER SAID JUDICIAL DETERMINATION. IN ADDITION TO THE FOREGOING, ANY ALLEGED BREACH OF THIS LEASE THROUGH IMPROPER ROYALTY DEDUCTIONS OR IMPROPER ROYALTY PAYMENTS SHALL BE RESOLVED SOLELY THROUGH BINDING ARBITRATION BY A SINGLE IMPARTIAL ARBITRATOR SELECTED BY THE PARTIES CONDUCTED UNDER THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION WITHIN ONE HUNDRED TWENTY (120) DAYS AFTER FORMAL SUBMISSION.**

15. When operations or production are delayed or interrupted by any cause, whether foreseeable or unforeseeable, beyond Lessee's reasonable control including, without limitation, labor disputes; acts of God; any federal or state law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder; action or inaction by any federal, state, or local agencies which delays or prevents the issuance of granting of any approval or authorization required to conduct operations (including applicable permits); lease stipulations; fire, explosion, earthquake, storm, flood, drought or other adverse weather conditions; rig availability; war, rebellion, insurrection or riot; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors or subcontractors; shortage of or inability to obtain at reasonable cost, labor, transportation, materials, machinery, equipment, supplies, utilities or services or the inability to mobilize or demobilize the same at reasonable costs; accidents; breakdown of equipment, machinery or facilities; actions by environmental groups, or other special cause, whether similar or dissimilar to the foregoing, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.



16. If, during any time this lease is in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the leased premises, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor, of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party without prior notification to Lessee, as set out above, shall be null and void.

~~17. Lessee has the optional right, but not the obligation, to extend this lease for an additional two (2) years beyond the primary term, including any time earned under the continuous drilling provision contained in the lease (the "Expiration Date"), by tendering to Lessor on or before the Expiration Date, an amount equal to \$ \_\_\_\_\_ per net mineral acre owned by Lessor in and under such lands as Lessee elects to exercise under its option. Unless otherwise notified by Lessor in writing of a new mailing address, Lessee's tender to Lessor of the monies referenced herein to the mailing address set out above shall be deemed as effective for all purposes and received by Lessor. If Lessee exercises this option to extend, Lessee is granted the right to file a Notice of Option to Extend in the Deed Records of the County where the lands are located.~~

18. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Cheri A. Jessen  
Cheri A. Jessen, a/k/a Cheri A. Johnson

ACKNOWLEDGEMENT

STATE OF ND )  
COUNTY OF Bullough ) INDIVIDUAL ACKNOWLEDGEMENT

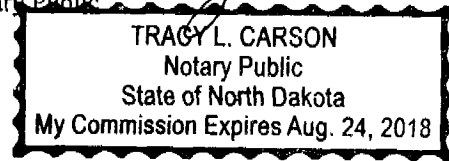
On this 28<sup>th</sup> day of December 2016, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Cheri A. Jessen, a/k/a Cheri A. Johnson, a single woman

to me known to be the identical person(s) who executed the within and foregoing instrument, and acknowledged that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth, and in the capacity herein stated.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year last above written.

My Commission Expires: 8-24-18

Tracy L. Carson  
Notary Public



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261130 \$19.00  
STATE OF NORTH DAKOTA BURKE COUNTY  
I hereby certify that this instrument was filed for record  
on 1/18/2017 @ 11:05 AM  
Bonnie L. Bohnsack, County Recorder  
By Jacqueline A. Hotsel