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No. 22259

ASSIGNMENT OF OIL AND GAS LEASE

WYOMING 1223

J. Gordon Morgan, et ux

To

The Ohio Oil Company

Fees, \$2.05

THE STATE OF WYOMING)

County of Sublette} This instrument was filed for record in my office at 2:00 o'clock P. M. on the 22nd day of May A.D. 1939 and duly recorded in Book 5 of Miscellaneous, on page 218.

FAREN C. FALER, County Clerk

WHEREAS, on this 17th day of December, 1938, a certain oil and gas lease was made and entered into by and between James Francis Mickelson, also known as J. F. Michelson, also known as James F. Mickelson, and Mae E. Mickelson, his wife, Lessors, and J. Gordon Morgan of Rawlins, Wyoming, Lessee, covering the following described land in the County of Sublette, State of Wyoming, to-wit:

Lot 1, 2, 3, 4, S₁NE₁, E₁W₁, N₁SE₁, Section 19; T. 30N., R. 111W., S₁NE₁, NE₁SE₁, Sec. 9; S₁NW₁, S₁ Section 10; SW₁SW₁, S₁SE₁, Sec. 11; SE₁SW₁, Section 12; W₁NE₁, NW₁, Section 13; N₁NE₁, W₁NW₁, S₁, Section 14; NE₁, E₁NW₁, SW₁NW₁, S₁, Section 15; NE₁NE₁, Section 21; NE₁, NW₁, SW₁NW₁, N₁SE₁, Section 22; NW₁, N₁SW₁, Section 23; E₁E₁, Section 24; T. 30 N., R. 112 W., Lots 1, 2, 3, 7, S₁NE₁, SE₁NW₁, N₁SE₁, Section 7; Lots 3, 4, SW₁NW₁, S₁SW₁, NW₁SE₁, Section 8; NW₁ Section 17; Lots 1 and 2, Section 18; T. 32 N., R. 113 W., Lot 1, SE₁NE₁, N₁SW₁, S₁SW₁, SE₁, Section 11; Lot 4, S₁SW₁, SW₁SE₁, Section 12; N₁NE₁, SE₁NE₁, NW₁, SW₁NW₁, Section 13; NE₁NE₁, Section 14; T. 32 N., R. 114 W., 6th P. M., containing approximately 4870.42 acres and SW₁NE₁, Section 11; T. 32 N., R. 114 W., containing 40 acres,

said lease being recorded in the office of the County Clerk in and for said County, in Book 1, at page 253.

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, J. Gordon Morgan and Mary R. Morgan, his wife, Assignors herein, the present owners of said lease and all rights thereunder or incident thereto, hereby bargain, sell, transfer, assign and convey, unto The Ohio Oil Company, an Ohio corporation, Assignee herein, its successors and assigns, all of the Assignors' right, title and interest in and to the said oil and gas lease hereinabove described and rights thereunder, insofar as it covers the above described lands, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State of Wyoming.

TO HAVE AND TO HOLD the said oil and gas lease, together with all of the rights and privileges therein conveyed and granted, unto the Assignee, its successors and assigns, forever.

And for the same consideration, said Assignors, for themselves, their heirs and personal representatives, do covenant with said Assignee, its successors and assigns, that Assignors are the lawful owners of said oil and gas lease and the rights and interest thereunder; that Assignors have good right and lawful authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that Assignors will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

As a further consideration for the execution and delivery of this assignment, Assignee hereby agrees to pay unto J. Gordon Morgan, his heirs, personal representatives or assigns, a net overriding royalty of two and one-half per cent (2 1/2) of the proceeds received from the sale of all oil and gas produced, saved and marketed (except such as is used for operating purposes and unavoidable lost) from the above described lands; all of said payments to be made in accordance with the prevailing market price of said oil and gas at the wells when produced and said payments to be made to J. Gordon Morgan or for the credit of J. Gordon Morgan in the Rawlins National Bank at Rawlins, Wyoming, or its successors, which bank and its successors are hereby constituted the agent of J. Gordon Morgan, his heirs, personal representatives and assigns, to receive all payments hereunder, on or before the 20th day of the month following that month in which the said oil and gas is produced, saved and marketed; provided, however, that said royalty payments unto J. Gordon Morgan shall be made from the proceeds of the oil and gas remaining after the payment of the landowner's royalty provided in the above described oil and gas lease. Assignee shall not be required to take cognizance of any assignment or transfer of royalty of interest therein, unless and until Assignee shall have been furnished with satisfactory evidence of such assignment or transfer. The overriding royalty payable hereunder shall be in lieu of all royalty payable by Assignee to Assignors under any and all other agreements.

It is further understood and agreed that before computing the amount of any overriding royalty payable to J. Gordon Morgan hereunder, Assignee shall have the right to deduct from the value of the oil and gas or the proceeds thereof on which such overriding royalty is computed, the full amount of any taxes required to be paid on such oil and gas or for or on account of the production thereof.

Assignee shall operate the lands embraced herein as one lease, and should royalties accruing hereunder be owned in severalty or in separate tracts, such royalties shall be treated as an entirety and shall be divided among and paid to the separate owners thereof at the applicable royalty rate in the proportion that the acreage covered by the royalty of each such separate owner bears to the entire acreage embraced herein; provided, however, that if the lands covered by said lease or any part thereof shall hereafter be operated under a cooperative or unit plan of development or operation, or other plan for conservation of oil and gas in a single pool or area whereby the production therefrom is allocated to different portions of the lands covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of the royalty payments hereinabove provided for, be regarded as having been produced from the particular land to which it is allocated and not from any other tract of land and the royalty payments herein provided to be made shall be based on the production only as so allocated.

It is hereby agreed that said royalty interest herein reserved shall be subject to and controlled by any cooperative or unit operated, and that the royalties herein provided to be paid to J. Gordon Morgan shall be paid on the oil and gas allocated to the lands herein described under such unit operating agreement,

//operating agreement pursuant to which the above described lands may hereafter be