

Township 29 North, Range 113 West

Section 5: SE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$   
 Section 7: NE $\frac{1}{4}$ SE $\frac{1}{4}$   
 Section 8: All but SW $\frac{1}{4}$ NE $\frac{1}{4}$   
 Section 17: E $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt of all of which is hereby acknowledged, Assignor does hereby grant, sell, transfer, assign, set over and convey unto Assignee all of Assignor's right, title, interest, privileges and benefits in said Oil and Gas Lease and in and to the leasehold estate created thereby and the said lands described therein, including all of the rights, benefits and privileges accruing to Assignor thereunder, together with all of the operating rights of Assignor thereunder, together with all of the operating rights of Assignor under said Oil and Gas Lease insofar as the said lease refers to the lands hereinabove described.

Assignor does hereby specifically retain and reserve, however, an overriding royalty over and above all royalties payable to the Lessor under the said lease referred to above in an amount equal to Two Per Cent (2%) of the value of all oil, gas and other hydrocarbon substances produced, saved and sold from the lands and not used by Assignee in its operations thereon. The Two Per Cent (2%) reserved royalty of Assignor shall only be payable in money, and Assignor shall not have the right to take such royalty in kind.

The value of Assignor's royalty shall be determined as hereinafter set forth:

OIL: The quantity and gravity of the oil shall be determined in accordance with A. P. I. Bulletin No. 25 in its then latest revision.

The value of the oil shall be computed on the basis of the posted prices of Standard Oil Company, Ohio Oil Company, Continental Oil Company, Socony-Vacuum Oil Company, or General Petroleum Corporation, or any of them, whichever may be highest, applicable for oil of like quality and gravity at the well in the field where produced, at the time of production. If the oil produced from said lands shall require treatment or dehydration to render it marketable, Assignor shall pay Assignee, as agreed compensation for handling such oil, at the rate of Five Cents (5¢) per barrel on Assignor's royalty oil, which Assignee may currently deduct from any monthly payments or settlements to Assignor.

GAS: The value of gas shall be computed on the basis of the price actually received by Assignee per thousand (1,000) cubic feet of gas in its natural state at the well, and in event Assignee shall deliver the gas to a purchaser at a place off the premises, Assignee shall be entitled to deduct from the price actually received by Assignee an amount equal to the cost of transporting the gas from the well to the place of delivery. Assignor shall not be entitled to receive any royalty on gas produced in the absence of a market therefor.

GASOLINE: If natural gasoline is manufactured by Assignee from gas produced from said lands, then the royalty payable to Assignor shall be an amount equal to Two Per Cent (2%) of Forty Per Cent (40%) of the value of natural gasoline so manufactured. If gas is sold by Assignee for the purpose of manufacturing natural gasoline on a basis whereby a royalty is reserved to Assignee, then Assignor shall only be entitled to an amount equal to Two Per Cent (2%) of the value of the said royalty so reserved by Assignee. The value of the gasoline shall be computed on the basis of the price per gallon received by Assignee, or the prevailing market price at the plant where manufactured and produced.

Nothing in this paragraph contained shall require Assignee to market or dispose of gas or gasoline in the absence of a market therefor, and Assignee shall incur no liability to Assignor for failure to market or dispose of gas or gasoline.

The overriding royalties retained and reserved by Assignor shall be payable in cash and not in kind on or before the 25th day of each calendar month, based upon production for the preceding month.

The overriding royalty retained and reserved by Assignor shall bear its pro rata share of any production, severance, franchise or licensing tax or any other tax computed, measured or based upon production of oil and/or gas which may be imposed by the Federal Government, the State of Wyoming or any of its political subdivisions. Assignee is hereby authorized to and at its option may pay all taxes of Assignor and to deduct Assignor's share so paid from the amount of royalties which shall become due.

Assignee shall pay all rentals from and after the date of this Assignment accruing under said lease referred to above to the Lessor therein named, and shall pay or deliver all royalties due the said Lessor under said lease.

Assignee shall have the use, without payment of royalty, of so much of the oil, gas and other hydrocarbon substances and water produced on said lands as may be required in Assignee's operations thereon.

Assignor hereby represents and warrants that Assignor is the owner, without encumbrance, of the entire interest in said lease, and that Assignor has not heretofore sold, assigned, transferred, encumbered or conveyed said lease, or any right, title or interest therein, and has full right, power and authority to enter into this Assignment with respect to said lease.

Assignee agrees to comply with each and every condition and requirement of said lease, and laws and regulations applicable to said lease.

Assignee shall have the right at any time and from time to time, on notice in writing and the payment of the sum of One Dollar (\$1.00) to Assignor, to surrender, in whole or in part, all rights hereunder as to all or any portion of said lands, whereupon Assignee shall be released and discharged from any and all obligations or liability under this Assignment as to the said lands or portion thereof so surrendered except for royalties theretofore accrued and unpaid and for the abandonment of wells as required by any governmental agency of the State of Wyoming.

Assignor shall have the right at all reasonable times to inspect the lands, the work done and in progress thereon and the production therefrom, and may inspect the books kept by Assignee in relation to the production from said lands, to take copies thereof, and to ascertain the production and amount saved and sold therefrom. Assignee agrees on written request to furnish the Assignor copies of the logs of all wells drilled by Assignee on said lands.

Assignee shall have the right and Assignor does hereby authorize Assignee to enter into cooperative or unit development contracts or plans with lessees, owners and operators of other oil and gas lands on the geological structure of any oil and gas field embracing all or a part of said lands above described, for the purpose of securing development of the geological structure under unified control, and the Assignee is authorized to subject all or any part of the said lands above described to one or more of such cooperative or unit development contracts or plans. Assignor shall, at Assignee's request, execute as a party signatory thereto or by Assignor's attorney in fact any such cooperative or unit development contract or plan. Under said