

RECORDED

Said royalties shall be paid each month on account of production during the preceding calendar month, such payments to be accompanied with a statement of the production and the prices thereon on the basis of which such royalties are computed; and second party shall not be required to take cognizance of any assignment or transfer of royalties or interest therein unless and until second party shall have been furnished with satisfactory evidence of such assignment or transfer. Before computing the amount of any over-riding royalty payable to first parties herein second party shall have the right to deduct from the value of the oil and gas or the proceeds thereof on which such over-riding royalty is computed the full amount of any taxes (including production tax) required to be paid on such oil and gas.

It is further understood and agreed between the parties that the lands the subject of this agreement have been committed to unit operations in what has been designated by the United States Geological Survey as the North LaBarge Unit Area, which unit agreement provides, inter alia, for unit or group development of lands within that unit area, and which also provides for a unitization of all over-riding royalties above set forth and the second party, its successors and assigns, agree to pay from the oil, gas, natural gasoline and associated fluid hydrocarbons produced and saved, such royalties from production which shall be allocated to the lands the subject of this agreement as provided by the said North LaBarge Unit Agreement.

It is further expressly agreed by and between the parties hereto that this agreement shall be binding as to each and all of the first parties signatory hereto even though other first parties may or shall not sign this agreement.

PROVIDED, always, and it is expressly agreed by and between the parties hereto, that in the event that second party, or its assigns shall surrender operating and drilling agreements on and as to said lands or any part thereof, then and in that event this agreement