

As to the lands not released or surrendered as hereinabove provided, rentals becoming due under said lease during the life of this option shall be paid by Optionor as so requested by Optionee, but Optionee shall promptly reimburse Optionor for such payment. In the event Optionee shall not request Optionor to pay said rentals, the same shall be paid by Optionee.

The Optionor hereby consents that the above described land, or any part thereof, may be made the subject of or committed to a unit or cooperative plan of development under said Act of Congress, as amended, and hereby makes, constitutes and appoints the Optionee, or any person designated by the Optionee (with the right on the part of the Optionee to change such designee at any time and from time to time) irrevocably, as THEIR attorney in fact, for THEM and in THEIR place and stead, at any time during said option period, or after the exercise of said option, to commit said land or any part thereof to the extent of the interest of the Optionor therein, to any such unit or cooperative plan which may be submitted to, prescribed by or approved by the Secretary of the Interior, involving any area regarded as logical for unitization, and to execute such plan on behalf of the Optionor, with the understanding that such plan may provide for the pooling and allocation of all production within such participating area as may be established or approved by the Secretary or his representative, upon a proportionate acreage or other equitable basis as may be prescribed or approved by said Secretary or his representative, and such plan may contain such other provisions as may be inserted at the discretion of the Optionee, all to be effective upon the final approval of said plan by the Secretary of the Interior, and to execute all instruments and do all things necessary to make said unit plan effective. Optionor hereby agrees that THEY will, upon request of Optionee, or his designee (with power of substitution) execute, acknowledge, and deliver to Optionee a power of attorney in accordance with the pertinent provisions hereof but in a separate document.

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall be deemed to be covenants running with the land and binding on and inuring to the benefit of the heirs, administrators, executors, successors and assigns, of the parties hereto.

As a part of the consideration aforesaid the Optionee is hereby granted the right to examine and make geological and geophysical surveys on the land during the option period.

Executed the day and year above written.

WITNESS:

E. R. Brunsma
Indianapolis Ind.

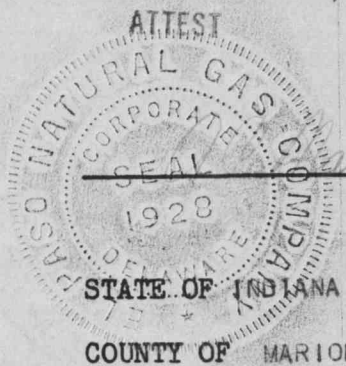
P. F. Batterson

Mary E. Catterson
Optionor

EL PASO NATURAL GAS COMPANY

A. F. Stow

Optionee Vice President



Assistant Secretary

On this 3d day of AUGUST, 19 54, before me personally appeared P. F. CATTERSON AND MARY E. CATTERSON, HIS WIFE to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that THEY executed the same as THEIR free act and deed.

Witness my hand and official seal the day and year last above written.

CHARLENE SPITZFADEN
My Commission Expires April 2, 1957

My Commission Expires _____

Charlene Spitzfaden
Notary Public
ADDRESS:
Indianapolis, Indiana