

or less. It is the intention of this provision to comply with the statute limiting overriding royalties and production payments on Federal leases and shall be deemed amended so as to fully comply with such statute in the event it does not do so.

The purchase price for this production payment being the sum of \$150,000.00, shall be payable upon execution of this document and Grantor shall have no right to terminate this production payment.

When Grantee shall have received in the aggregate from the proceeds of the production payment the amounts of money hereinabove specified, this assignment and conveyance and all rights hereby granted shall cease and terminate without further act on the part of Grantor, and Grantee shall have no further interest in the oil and gas in and under and that may be produced from any of the properties described in Exhibit "A", and upon Grantor's request, Grantee shall execute and deliver to Grantor an instrument evidencing a full and complete release in recordable form of the interest hereby assigned and the rights herein granted.

Each and all of the provisions hereof shall be covenants running with the respective interests of the parties hereof and shall inure to and be binding upon the heirs, successors or assigns of the respective parties. The word "Grantor" as used herein means the named Grantor, its successors and assigns successively, and the word "Grantee" as used herein means the named Grantee, its successors and assigns successively.

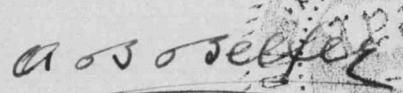
TO HAVE AND TO HOLD the production payment hereby conveyed unto the Grantee subject to the terms and provisions of the oil and gas leases and leasehold interests set forth in Exhibit "A" and the terms and provisions of this conveyance.

IN WITNESS WHEREOF, the Grantor has hereunto set its hand and affixed its seal this 16th. day of March, 1955.

ATTEST:


Lawrence Ruben, Secretary

PFAFF-QUEALY CORPORATION


A. B. Belfer, President
